



**HIBBING ECONOMIC DEVELOPMENT
AUTHORITY**

**Special Meeting:
Some members may be participating
through remote technology
Tuesday, July 29, 2025
8:00 AM**

President Shari Majkich Brock
Vice President Steve Jurenes
Councilor John Schweiberger
Councilor Jennifer Hoffman Saccoman
Mayor Pete Hyduke
Member Celia Cameron
Member Mike Egan

City Administrator Greg Pruszinske
Finance Dir - Treasurer Sheena Mulner
City Attorney Andy Borland
Community Dev. Director Betsy Olivanti

I. CALL TO ORDER:

II. APPROVAL OF THE AGENDA:

III. APPROVAL OF MINUTES:

1. Approve the Minutes of the Hibbing Economic Development Authority Meeting of July 14, 2025.

IV. PUBLIC HEARING:

1. Convene the public hearing scheduled for this time to consider the business subsidy request from Iron Range Management.
2. Convene the public hearing scheduled for this time to consider the business subsidy request from Advanced Machine Guarding Solutions.

V. PRESENTATIONS:

1. AMGS Expansion Project Update - John Maxwell, Jason Wobbema
2. Hibbing Parents Nursery School Update - Pia Grozbach/Staff
3. 400 Block Redevelopment Project - Kilbourne Group Q&A
4. 400 Block Redevelopment Project - Rebound Partners Q&A

VI. DEPARTMENT AND COMMITTEE REPORTS:

1. Community Development Director Betsy Olivanti

- a. Approve the renovation expenses for the Hibbing Parents Nursery relocation.
- b. Approve the business subsidy for Iron Range Management in the amount of \$203,273.80

- c. Approve the loan request for Iron Range Management in the amount of \$58,900
- d. Approve the change order to add the following to the AMGS expansion project to be funded by the loan approved through Dept. of IRRR and Mn DEED 21st Century Mineral Fund:
 - Equipment financing in the amount of \$300,000
 - Widseth Additional Services in the amount of \$5,200
 - BARR UL Support Services in the amount of \$25,250
 - Extend the project completion date to August 29, 2025.
- e. Discuss the developers' proposals for the 400 Block Redevelopment Project and consider selecting a developer.
- f. Authorize staff to negotiate a development agreement with selected developer.

2. Finance Director-Treasurer Sheena Mulner

3. City Attorney Andy Borland

VII. ADJOURNMENT:

**THE MINUTES OF THE REGULAR AND WORKSHOP MEETING OF THE
HIBBING ECONOMIC DEVELOPMENT AUTHORITY
Monday, July 14, 2025**

Meeting Information

- Location: Hibbing City Hall Council Chambers
- Attendees: Present at roll call, President Shari Majkich Brock, Vice President Steve Jurenes, Member Jennifer Hoffman Saccoman, Mayor Pete Hyduke, Member John Schweiberger, and Member Celia Cameron. Member Mike Egan was absent. Also present were City Administrator Greg Pruszinske, Attorney Andy Borland, Finance Director Sheena Mulner, and Community Development Director Betsy Olivanti.

CALL TO ORDER: President Shari Majkich Brock called the meeting to order at 5:02 p.m.

Approval of Agenda

The agenda for the meeting was approved with a motion by Mayor Hyduke and supported by Member Schweiberger. Motion Carried.

Approval of Minutes

Mayor Hyduke supported by Vice President Jurenes, moved to approve the minutes of the regular meeting of the Hibbing Economic Development Authority for June 9, 2025. Motion Carried.

Member Schweiberger supported by Member Cameron, moved to approve the minutes of the special meeting of the Hibbing Economic Development Authority for June 25, 2025. Motion Carried.

CONSENT AGENDA

Member Hoffman Saccoman supported by Mayor Hyduke, moved to approve the consent agenda as read and published. Motion Carried.

1. Approve disbursements for the month of June in the amount of \$864,019.46

1. Fund 250 (HEDA ED/Rev Ln Fd) - \$25,341.91
2. Fund 255 (HEDA General Fd) - \$7,670.45
3. Fund 392 (TIF#12 DS Fd) - \$5,617.50
4. Fund 418 (Downtown Capital Prjt Fd) - \$999.00
5. Fund 440 (Tax Abatement Prjt Fd) - \$0
6. Fund 422 (Deferred Loan Fund) - \$0
7. Fund 610 (HEDA – 1111 7th Ave E) - \$824,390.60

2. Affirm Economic Development Loan Fund as of June 30, 2025 in the amount of \$1,474,859.72 .

3. Set the next regular HEDA meeting for Monday, August 11, 2025 at 5 p.m. in the Hibbing City Council Chambers.

Presentations

- **AMGS Expansion Project Update (Kraus Anderson)**
An update on the AMGS expansion project was presented. The project is 11 months in, 91% spent, and nearing completion. A temporary certificate of occupancy has been granted, allowing AMGS to start moving in equipment. The project is in a strong financial position with significant contingency funds remaining.
- **AMGS Loan Request (Jason Wobbema)**
AMGS requested an additional loan to cover a \$50,000 shortfall for equipment due to tariff-related cost increases and \$250,000 for working capital. The company has been growing in sales and capacity for the past four years and requires capital to scale production to a projected \$8-9 million capacity. To achieve this, they estimate a need for \$800,000 to \$1.1 million in working capital.
- **Iron Range Management Loan Request (Jacob Hanson)**
Jacob Hanson, on behalf of Iron Range Management, requests an additional loan for the 1920 4th Avenue project, which already has an approved HEDA loan for \$144,000. The project involves demolishing the unsound top two floors of a three-story building and rebuilding the second floor to house two apartments, with retail space on the ground floor. The additional funds are for soft costs like permits and architectural drawings that were higher than anticipated.
- **400 Block Redevelopment Project by Kilbourne Group**
Anthony Larson, representing City Hall Commons presented a proposal for an 89-unit senior living co-op on the 400 block. The units will be 1,000-1,400 sq ft each, with amenities including a workshop, fitness room, and 7,000 sq ft of green space. The project also includes 12,000 sq ft of commercial space. Key challenges discussed were a financial feasibility gap between \$6.23 million and \$9 million in the initial capital stack, a parking deficit of 70 spots against the required 178, and the necessity of a 20-25 year tax abatement following a successful build to defray mortgage costs for the co-op units, in addition to the initial financial gap. Further, the project's progression is contingent on achieving a 90% pre-sale rate for the units and HUD financing. It could take 18 months to receive approval of the HUD financing for the project. The project would be projected to start in Fall of 2026 and complete in Summer of 2028.
- **400 Block Redevelopment Proposal by Rebound Partners**
Jeff Draxten, representing Rebound Partners, presented a proposal for a 4 story, 56 unit multi-family, market rate project on the 400 block. This project also includes 17,000 square feet of commercial space and 110 units of parking, just 2

units of parking shy of what current zoning requires. This project projects a gap of \$8.25 million for financial feasibility in the initial capital stack. The project would be projected to start in Spring of 2026 and complete in Fall of 2027. Finally, Mr. Draxten stated that Rebound would not plan a senior co-op for that specific site, suggesting that the space constraints would make the necessary amenities too expensive, thus raising project costs and rents to a point where the project would not be financially viable based on their estimates.

BOARD REPORTS:

Community Development Director – Betsy Olivanti

Member Hoffman Saccoman made a motion, supported by Mayor Hyduke, to Approve Resolution 25-07-05 Calling For A Public Hearing On The Application Of Advanced Machine Guarding Solution Corp. for A Business Subsidy From The Hibbing Economic Development Authority. Motion Carried.

Mayor Hyduke made a motion, supported by Member Cameron, to Approve Resolution 25-07-06 Calling For A Public Hearing On The Application Of Iron Range Management LLC for A Business Subsidy From The Hibbing Economic Development Authority. Motion Carried.

Community Development Director Olivanti reported that John Carpenter from John Carpenter Properties LLC called on 07/11/2025 to cancel his loan application. No further action needs to be taken.

Vice President Jurenes made a motion, supported by Member Cameron, to Set a Special HEDA meeting on July 29, 2025, to hold the public hearings for AMGS and Iron Range Management and other business. Motion Carried.

Finance Director-Treasurer Sheena Mulner

Finance Director Sheena Mulner provided an update on the HEDA loan portfolio. Key points include: Bloomtown Breweries' loan is paid off; legal paperwork for defaulted loans (Moxie, Arrowhead Motorcycle) is in progress; Iron Range Management made its first draw of \$25,341.91; Howard Court Properties signed its loan documents. A detailed update was given on Mike's Pub, which is requesting to maintain its deferred loan status while catching up on ~\$8,500 in utility arrears by paying \$1,000 weekly.

City Attorney – Andy Borland

Attorney Borland updated the board on the Arrowhead Motorcycle property. They are working to clear consigned items from the building before notifying the owner about the disposal of the remaining property. Efforts to serve the owner with a lawsuit are ongoing.

Member Hoffman Saccoman made a motion, supported by Member Cameron, to Approve Resolution 25-07-07 Authorizing the sale of 1111 7th Ave. East, Hibbing, MN 55746 for the appraised value of \$700,000 to JT Ventures LLC. Motion Carried.

CLOSED SESSION:

Member Schweiberger, supported by Vice President Jurenes, made a motion to adjourn the meeting to a closed session for the purposed of real property 402, 408, 410, 412 and 416 East Howard Street PURSUANT TO MN ST SECTION 13D.05SUB.3(c3). Motion carried.

Adjournment

There being no further items on the agenda to follow the closed session, a motion to adjourn was made by Mayor Hyduke and supported by Member Cameron. Motion carried and the meeting was adjourned into closed session at 6:36 p.m.

President Shari Majkich Brock

Community Dev. Dir. Betsy Olivanti

Master Project Budget

Owner: Hibbing Economic Development Authority (HEDA)
 Project: AMGS Manufacturing Facility
 Designer: Widseth and BARR Engineering
 Date: 6-Jun-25

Section 01: Project Funding	Amount (\$)	Notes
01: FUNDING SOURCES		
01-1: Revenues		
Dept. of IRRR Loan	\$4,500,000	Per IRRR Board Meeting on 05/28/2024
Dept. of IRRR Grant	\$300,000	Per IRRR Board Meeting on 03/26/2024
MnDEED 21st Century Mineral Fund Loan	\$4,500,000	Approved per DEED on 10/03/2024
MnDEED 21st Century Mineral Fund Grant	\$300,000	Approved per DEED on 10/03/2024
HEDA Land	\$100,000	Per HEDA meeting on 03/18/2024
Total Project Funding	\$9,700,000	

Section 02: Project Costs	Amount (\$)	Notes
02A: HARD COSTS		
02A-1: Construction Costs Budget		
02A-1A: Construction Costs	\$5,788,386	Includes BP#01 & BP#02 & All 3 Alternates Accepted
02A-1B: Bid Gap Coverage	\$285,950	No Compliant Bid For: Overhead Crane, Canopy EPDM Roof, Rubber Floor Base, and Splash Bed for Stormwater
02A-1C: General Conditions	\$789,822	Based on 10-month construction duration, 100% giveback to HEDA if not used
02A-1D: Administration of Warranties	\$10,296	Based on 0.15%
02A-1E: Performance/Payment Bonding of KA	\$49,152	Appx. 0.65% of hard costs (not including CM contingency or fee)
02A-1F: General Liability Insurance	\$74,862	Appx. 0.99% of hard costs (not including CM contingency or fee)
02A-1G: CM At-Risk Contingency	\$397,000	Appx. 5.7% of hard costs (not including CM fee), 100% giveback to HEDA if not used
02A-1H: CM Fee - Construction	\$166,398	Appx. 2.25% of total hard costs
Owner Contingency to Project	\$320,523.08	See attached CO detail
Subtotal Hard Costs	\$7,882,389.08	Revised at HEDA Meeting on 05/12/2025
02B: SOFT COSTS		
02B-1: Owner Costs Budget		
Owner's Rep - BARR Engineering	\$89,000	
02A-1A: Design & Owner Contingency		See attached CO detail
02B-1B: A&E Design - Widseth	\$458,912	Based on 6% of the 'Cost of the Work', per contract with HEDA.Plus Addtn'l Service Quote 7/25
02B-1C: A&E Design - BARR	\$110,189	Current contract amount per Betsy email on 03/06/2025. Plus UL Quote
02B-1D: Plan Review Fees (State/Local/Plumbing/etc...)	\$1,000	Plumbing plan review @ State only. Building Permit Cost includes review fee.
02B-1E: Sewer Access Charges (S.A.C.) & Water		Not Applicable per Owner Meeting on 5/21/2024
02B-1F: Construction Testing & Special Inspections	\$20,818	Braun Intertec
02B-1G: Geotechnical Investigation & Report	\$10,300	Geotech & Environmental Survey. Final Cost, per the Owner Meeting on 5/21/2024
02B-1H: Construction Layout (Surveying)	\$17,100	JPJ Engineering
02B-1I: Environmental Surveying / PH I & II Environmental Site Assessment (E.S.A.)		Included in Geotech cost above; per the Owner Meeting on 5/21/2024
02B-1J: Wetland Delineation	\$1,500	Final Cost per the Owner Meeting on 5/21/2024
02B-1K: Wetland Mitigation, USACOE		Not Applicable per Owner Meeting on 5/21/2024
02B-1L: Cultural Surveying / PH I & II Cultural Site		Not Applicable per Owner Meeting on 5/21/2024
02B-1M: Property Survey	\$9,500	Final Cost for the Topo - Benchmark, per the Owner Meeting on 5/21/2024, ALTA on 10/04/2024 per IRRR clear to close docs
02B-1N: Cost of Bonding / Cost of Financing	\$36,030	Sellman Title
02B-1O: Land Acquisition Costs	\$100,000	HEDA owned
02B-1N: Moving Costs		Not Applicable per Owner Meeting on 5/21/2024

02B-1O: Temporary Site Power during construction	\$5,500	Estimated at \$500/month
02B-1P: Utility Rebates		Coordinate with HPU on potential savings (City of Hibbing/HEDA confirm)
02BT-1Q: Utility Services Establishment (Power, Data, Gas, Water, Sewer, Storm, etc...)		Need to Confirm no costs coming from HPU (City of Hibbing/HEDA confirm)
02B-1R: Furniture, Fixtures, & Equipment (FF&E)		Residential Appliances, Chairs, Desks, etc. - AMGS Provided.
02B-1S: Technology & I.T.	\$32,625	Cameras, card readers, burglar alarm, Network Switches, Wireless Access Points, TV, Monitors etc. (Includes fiber installation by CTC)
02B-1T: Hazardous Materials Survey & Abatement		Not Applicable per Owner Meeting on 5/21/2024
02B-1U: Miscellaneous Owner Expenses		Not Applicable per Owner Meeting on 5/21/2024
02B-1V: Legal Fees	\$50,000	HEDA estimate for contract/lease/mortgage review
02B-1W: Art		Not Applicable per Owner Meeting on 5/21/2024
02B-1X: Builder's Risk Insurance	\$11,828	From Michelle at USI on 08/20/2024
02B-1Y: Building Commissioning (Mechanical,		Not Applicable per Owner Meeting on 5/21/2024
02B-1Z: Owner's Production & Fabrication Equipment	\$300,000	Accepted via ECO at HEDA meeting on 07/29/2025
02A-1C: Building Permit	\$61,060	Verify fee (City of Hibbing/HEDA confirm)
Total Owner Soft	\$1,315,361	

Section 03: Summary	Amount (\$)	Notes
03: PROJECT TOTALS		
Estimated Project Costs	\$9,197,750	

July 25, 2025

Betsy Olivanti
Community Development Director
City of Hibbing
400 East 23rd Street
Hibbing, MN 55746

Professional Design Services Proposal

AMGS Additional Services

Dear Ms. Olivanti,

Thank you for the opportunity to assist with additional services for the Advanced Machine Guarding Solutions (AMGS) project.

Scope of Services

Widseth proposes the following additional Scope of Services:

- Provide engineering design services to add exhaust Fan, CO detection and verification of over temp shut down for the installation of the paint drying oven at AMGS.

Proposed Fees

Widseth proposes to complete the Scope of Services described above for a Total Lump Sum fee of \$5,200.00 (five thousand and two hundred dollars).

We are ready to begin this additional scope of services following the notice to proceed. If you accept our proposal, please sign below and return to our office.

Submitted:

Approved:

WIDSETH



7/25/2025

Katie Hildenbrand, CID
Vice President

Betsy Olivanti

DATE: _____

July 24, 2025

Ms. Betsy Olivanti, Community Development Director
City of Hibbing
401 East 21st Street
Hibbing, MN 55746
Office: (218) 312-1579
Cell: (218) 421-7939

Re: 23692840 HEDA New Bldg. Electrical - AMGS

Dear Betsy,

We are submitting this letter as a formal request for a budget adjustment related to our electrical engineering support for the AMGS project. As the project nears completion, AMGS has requested Barr's electrical engineering services in certification of their control panels for automated equipment per the National Electrical Code and Minnesota Statute 3801.3620. This task was **not** included in our original proposal.

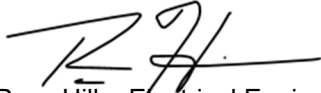
In order to assist AMGS in certification, Barr will first need to examine whether each control panel requires that it be UL or equivalently certified through examination. If it is determined that the control boxes require UL or equivalent certification, Barr will proceed with the process of providing certification by producing documentation that supports our findings that will be submitted to the Minnesota State Board of Electricity and create labels to be applied to each of the control panels.

Barr's estimated cost to complete the scope of work described in this change order will not exceed \$25,250.00 without prior approval from an authorized HEDA representative. Should scope changes or additions arise throughout the project, we will inform HEDA and obtain authorization prior to proceeding with the additional or changed scope. Listed below is Barr's anticipated costs:

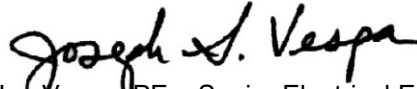
Task		Total cost
1.	Project Management and Admin	\$2,800.00
2.	UL equivalent certification/Evaluation per MN 3801.3620	\$8,300.00
3.	Certification Documentation and Labels	\$9,100.00
4.	Contingency (25%)	\$5,050.00
Proposed Change Order		\$25,250.00

As per our current agreement, we will continue to charge on a time-and-expenses basis. If the full amount of the additional funds is not required, we will invoice accordingly. Thank you for your consideration. Please let us know if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to be 'RH' with a horizontal line extending from the 'H'.

Ross Hill – Electrical Engineer
Project Manager

A handwritten signature in black ink, appearing to be 'Joseph S. Vespa' in a cursive script.

Joe Vespa, PE – Senior Electrical Engineer
Vice President, Project Principal

**CHANGE ORDER FOR
HIBBING ECONOMIC DEVELOPMENT AUTHORITY
AND
KRAUS-ANDERSON CONSTRUCTION COMPANY
AMGS MANUFACTURING FACILITY**

WHEREAS, The Agreement dated June 3, 2024 contemplated a substantial completion date of March 28, 2025; and,

WHEREAS, Said substantial completion date was subsequently modified to July 31, 2025; and,

WHEREAS, to coordinate the installation of equipment of AMGS, the parties have agreed that the substantial completion date of the contract should be modified to August 31, 2025; and,

WHEREAS, said Agreement contemplated that HEDA would have an owner's contingency fund; and,

WHEREAS, based on the parties understanding that owner's contingency fund may have a balance as of the substantial completion date in excess of \$300,000; and,

WHEREAS, HEDA should wish to use up to \$300,000 of said funds to provide AMGS with \$250,000 of working capital and \$50,000 towards the purchase of equipment for the facility; and,

WHEREAS, the IRRR, which provided said proceeds for the construction of said building, has agreed to this use of a portion of the Owner's Contingency Fund.

NOW, THEREFORE, IT IS HEREBY AGREED that the substantial completion date of the project shall be August 31, 2025, and that up to \$300,000 of the Owner's Contingency Fund will be used by HEDA to provide working capital and equipment to AMGS.

Dated: _____

Dated: _____

KRAUS-ANDERSON

**HIBBING ECONOMIC DEVELOPMENT
AUTHORITY**

By: _____
Its: _____

By: Shari Majkich Brock
Its: President

**AGREEMENT BETWEEN
ADVANCED MACHINE GUARDING SOLUTIONS AND
HIBBING ECONOMIC DEVELOPMENT AUTHORITY**

WHEREAS, Hibbing Economic Development Authority ("HEDA") has contracted with Kraus-Anderson for the building of a manufacturing facility for Advanced Machine Guarding Solutions ("AMGS") on East 13th Street in Hibbing; and,

WHEREAS, said Contract did not contemplate the installation of a sign for AMGS nor a handrail for a mezzanine within the facility; and,

WHEREAS, AMGS has installed both the sign and the handrail.

NOW, THEREFORE, IT IS HEREBY understood and agree:

1) That both the handrail and the sign which have been installed by AMGS are fixtures to the building and as such are owned by HEDA as it presently is the owner of the property/building.

2) That AMGS warrants that the installation of the sign and the handrail for the mezzanine were performed in a workmanlike and professional manner and AMGS warrants its work with respect to said installation.

3) Should AMGS ever vacate the facility while HEDA is the owner, AMGS may not remove said sign or handrail without the express written consent of HEDA.

Dated: _____

Dated: _____

**ADVANCED MACHINE GUARDING
SOLUTIONS**

**HIBBING ECONOMIC DEVELOPMENT
AUTHORITY**

Jason Wobbema
Its: President

Shari Majkich Brock
Its: President

HIBBING PARENTS NURSERY SCHOOL HEDA RELOCATION BUDGET					
Budget Amount	\$50,000.00				
Moving reimbursement	not capped				
Item Description	Bid 1 (lowest)	Company	Bid 2	Company	Notes
Installing exterior door as required by licensing, installing interior double door to combine two rooms to expand teacher-child ratio similar to current space	\$13,889.00	Ingenuity Builders LLC	\$15,904.00	Aikey Contractors	
Playground fence quotes	\$8,510.00	A-1 Fence	\$9,315.00	A-1 Fence	Same company, but lowest bid is purchasing a new fence and have it installed instead of moving the current fence.
Playground landscaping quotes (remove top soil, clear brush, add licensing required fill for fall safety)	\$7,579.00	Skidsteer Services Sikkila's Outdoor Services	NA		Only one quote, because of inability to find a company that can do the work in time
Total relocation cost thus far	\$29,978.00		\$25,219.00		
Moving Company Quotes	\$8,233.20	A-1 Movers Inc.	\$11,860.00	Two Men and a Truck	
Total moving cost	\$8,233.20		\$11,860.00		

Betsy Olivanti

From: Bill Rothman <bill@kilbournegroup.com>
Sent: Wednesday, July 9, 2025 5:35 PM
To: Betsy Olivanti
Cc: Jim Bougalis
Subject: Horizons Cooperative follow up information

Betsy – Below is the follow-up information requested by the HEDA Board for the Horizons Cooperative project.

1. Project Summary

- **Development Details:** 89 co-op units targeted for seniors (updated from the presentation).
- **Unit Sizes:** Range from 1,000 to 1,400 sq ft.
- **Co-op Amenities:**
 - Fully equipped workshop
 - State-of-the-art fitness room
 - Community room for social gatherings
 - Patio area
- **Retail Space:** 12,000 sq ft.
- **Parking:** 108 underground parking spaces for co-op residents.

2. Financial Feasibility

- **Cost Estimate:** Initial indication from the Architect and Big D Construction is \$370,000 per unit.
- **Market Study:** Need an updated HUD compliant market study; potential gap between \$70,000 and \$100,000 per unit.
- **Tax Abatement:** Required for 20 to 25 years to keep monthly payments low for seniors and offset higher co-op payments.

3. Market Support for the Project

- **Demand:** October 2023 Maxwell Research & Consulting study indicates strong demand for market-rate and affordable active adult and independent senior housing.
- **HUD Requirements:** Need an updated HUD-compliant market study for clarity on pricing.

4. Land Use Planning Considerations

- **Height Restriction:** 75-foot height restriction; the 400 Block is zoned C-2, requiring planning and zone board approval for structures greater than 75 feet.

5. Design Standards

- **Historical Preservation:** All sides must be brick, masonry material, or concrete block. Under a conditional use permit we may request an alternative siding (wood or steel) for the 3rd floor and above, depending on cost considerations.

6. Parking Concerns

- **Parking Spaces:** 108 underground parking spaces for both retail employees and co-op residents.

7. Project Timeline

- **Timeline Adjustment:** Project duration unchanged, but dates should be moved 2 months since the project will start once we have confirmation of property control.

Please let us know if there is anything specific you'd like us to elaborate on or any additional points to include for the Board. Thank you for your consideration.

Bill Rothman
Chief Financial Officer
O: 701.353.2052
M: 949.690.5358



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www.kilbournegroup.com
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Vibrant downtowns create smart, healthy cities.

HORIZONS COOPERATIVE

4th Ave E & E Howard St



CITY HALL COMMONS



Horizons Cooperative
A senior living co-op property located in Hibbing, MN

May 2025

PROJECT DESCRIPTION

The Horizons Cooperative project is a new mixed-use development designed to offer a vibrant and dynamic living experience. It will feature a market-rate cooperative (co-op) residential community, retail spaces, and underground parking. All integrated into a thoughtfully designed urban environment.

The development will include 78 spacious co-op units. Providing a variety of living option layouts, these units will range from 1,000 to 1,400 square feet.

In addition, there will be 12,000 square feet of prime retail space, enhancing the surrounding area. The project also includes 108 underground parking spaces, serving both the co-op residents and retail employees.

Although not specifically designed as a senior living facility, the development will be tailored to provide a blend of comfort, convenience, and accessibility to meet the needs of independent seniors.

The co-op will feature a wide array of high-end amenities, including:

- Fully-equipped workshop
- State-of-the-art fitness room
- A welcoming community room for social gatherings
- Patio area for outdoor leisure

This development is poised to provide a high-quality living experience with a focus on community, wellness, and convenience.



A COLLABORATIVE SOLUTION TO SENIOR HOUSING

- Kilbourne and City Hall Commons are partnering to offer an innovative housing solution designed specifically for seniors, with the goal of enabling them to stay in Hibbing as they age.
- The Hibbing population is growing older:
 - The 65+ cohort is projected to have the greatest percentage growth, increasing by 644 people (18%) from 2023 to 2028.
 - The older population growth will result in demand for alternative housing products; both for-sale and rental housing types.
- Hibbing's highest housing demands:
 - Market rate rentals
 - Active adult and independent senior housing
- The *Comprehensive Housing Needs Analysis* conducted for Hibbing indicates active adult units appear to be undersupplied in the city.
- In 2023, active adult housing in Hibbing consisted of 66 market rate units and 200 subsidized units.
 - The market rate units were fully occupied, and the subsidized properties had a 4.0% vacancy.

* All data is from the *Comprehensive Housing Needs Analysis for Hibbing, MN, October 2023* by Maxfield Research & Consulting.

WHY A COOPERATIVE (CO-OP) IS THE SOLUTION

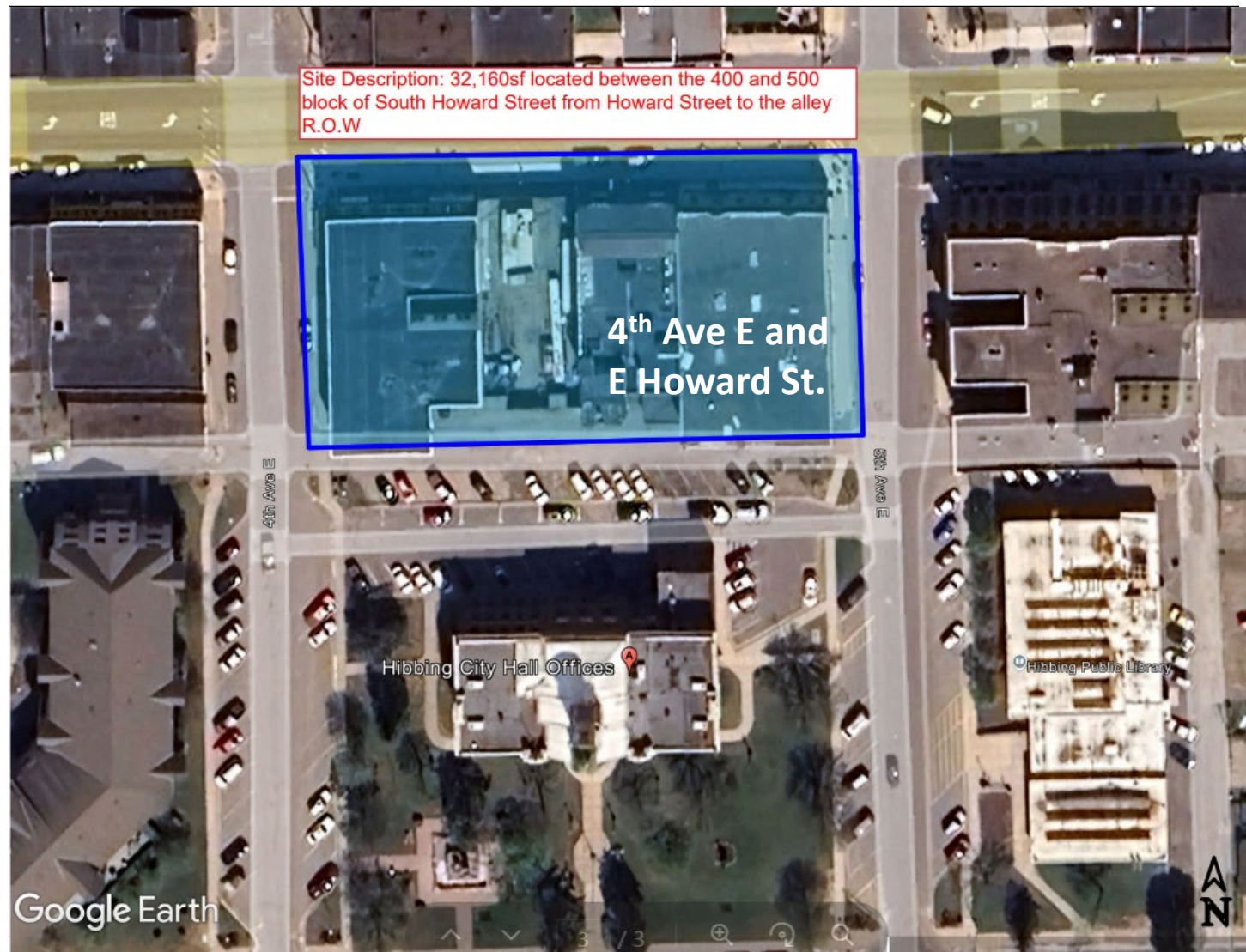
- It is a residential community where property is owned by a cooperative corporation and the residents of the co-op are a shareholder.
- Owning a share entitles them to a specific unit in the property, as well as use of common areas. The owner does not own the physical real estate, but owns a share of the corporation, which owns the building.
- Instead of paying a mortgage, the owner puts money down to purchase a share of the property, and then has monthly fees, which go to collectively paying down the loan the cooperative has on the property.
- Example of how payment works:
 - *A market value is calculated based on project costs, and the buyer has a 35% downpayment. Each shareholder also has a monthly fee that goes towards common space operating expenses, real estate taxes and loan repayment.*

Unit Value	Share Payment	Monthly Mortgage	Monthly Expenses	Total Monthly
\$350,000.00	\$122,500.00	\$1,174.00	\$540.00	\$1,714.00

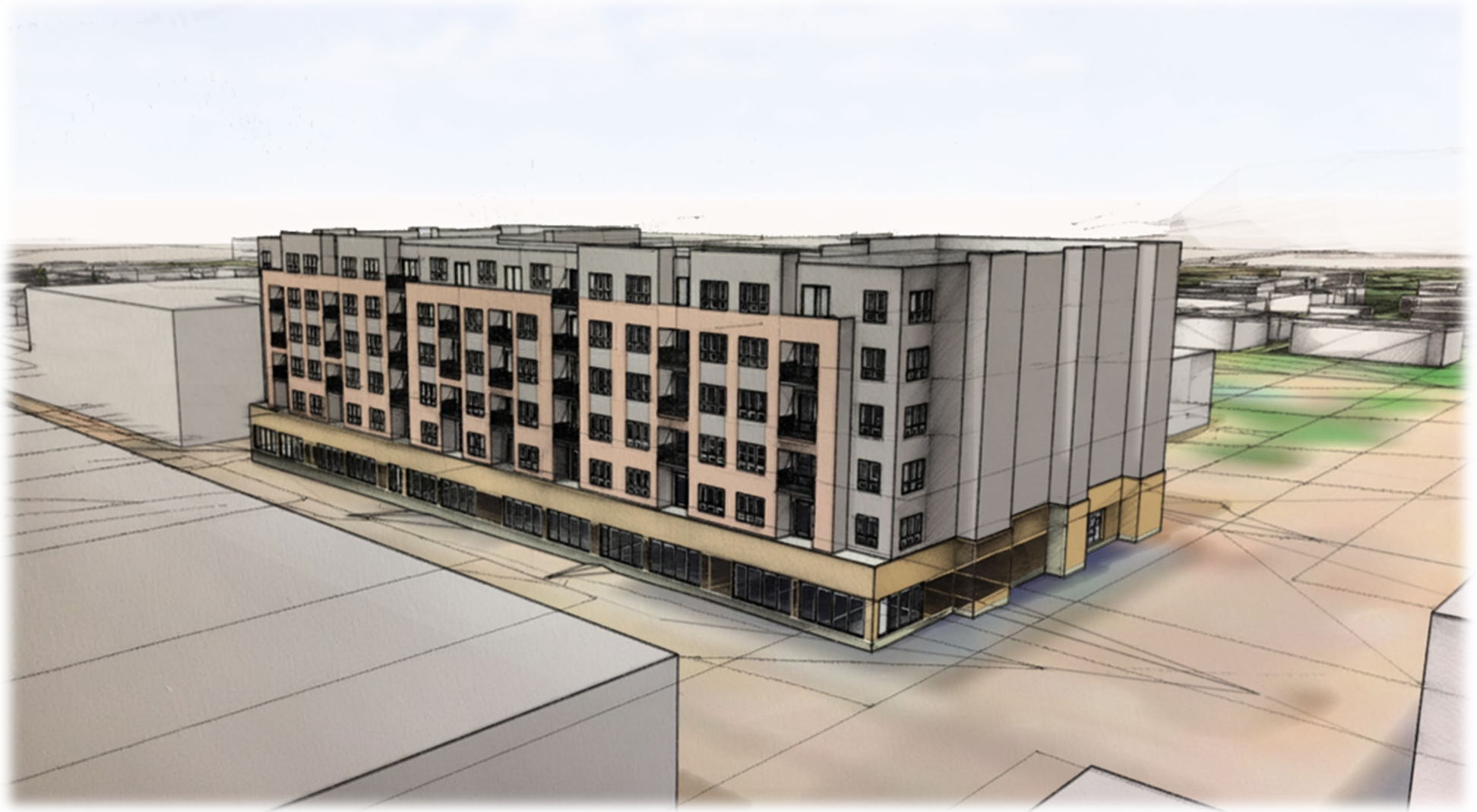
- *Monthly Expenses include management fee, operating, maintenance, insurance, operating reserve & replacement reserve. Real estate taxes not included; there will be a tax abatement.*

* Numbers provided are for example use only.

SUBJECT SITE

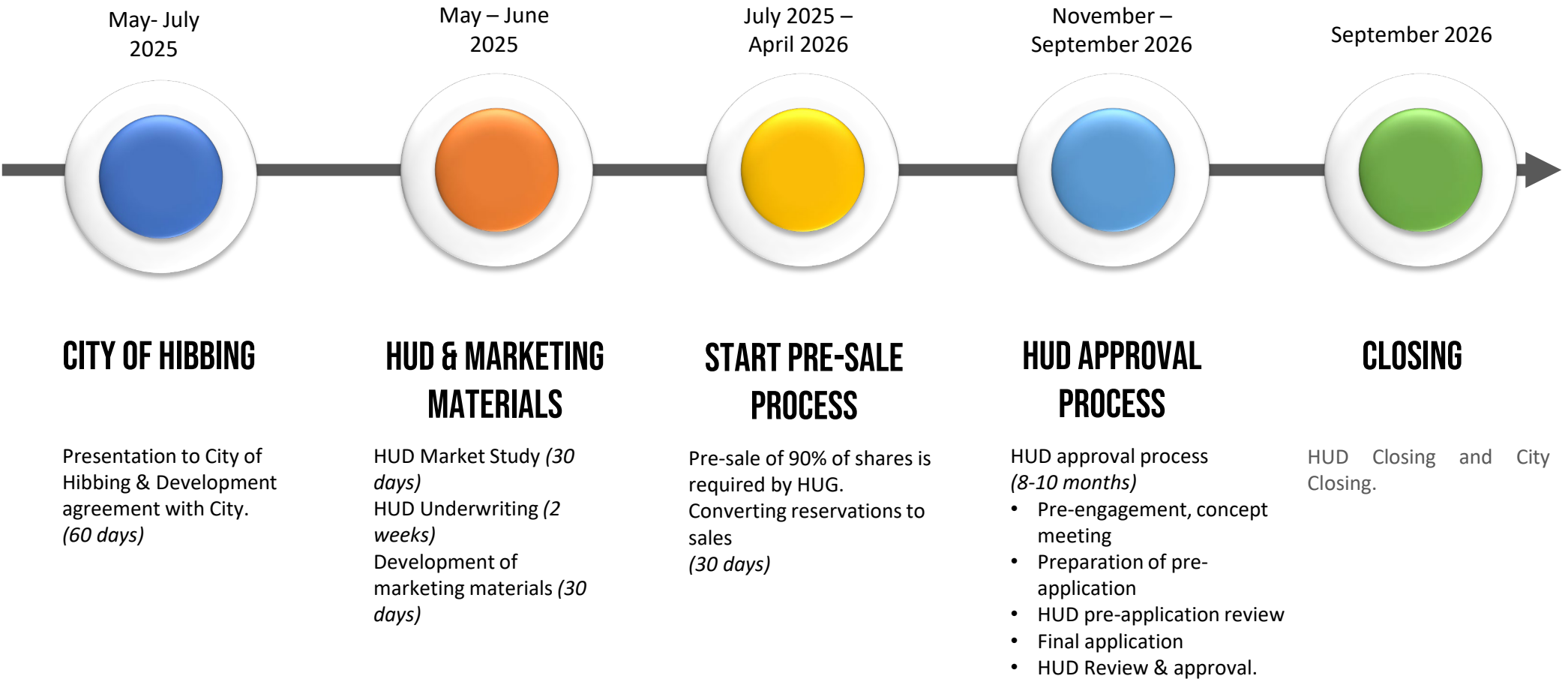


PROPERTY VISION | RENDERING



SUMMARY PRE-CONSTRUCTION SCHEDULE

20 Months (May 2025 – September 2026)



SUMMARY PRE-CONSTRUCTION SCHEDULE

20 Months (May 2025 – September 2026)

- City Of Hibbing Presentation & Development Agreement with City (60 days)
 - May – July 2025
- HUD Market study (45 days)
 - May - June 2025
- Marketing Materials (60 days)
 - May - July 2025
- HUD Underwriting (2 weeks)
 - August 2025
- Start Pre-sale Process (180 days)
 - July 2025 – April 2026
- HUD Approval Process (8-10 months)
 - November 2025 –August 2026
- HUD Closing (45 days)
 - August – September 2026
- City of Hibbing Closing
 - September 2026

SALES PROCESS

- FHA Section 213 Cooperatives
- Sponsor/Developer develops property, pre-sells memberships, and is in control of the provisional board
- HUD requires 90% pre-sale to close on financing
- HUD will review all initial membership purchasers
- Parties interested in purchasing a membership will put \$ down to reserve a spot in the project
- Once 90% of sales are final, and HUD is ready to close, buyers will be required to put down remaining down-payment (35% of purchase price)



Kilbourne Group was founded in 2006 by Doug Burgum, with a mission to be a catalyst of inspiration and action for vibrant communities.

As a vertically integrated real estate company, Kilbourne Group has completed more than 30 projects. Services include:

- Asset Management
- Development Services
- Full-Service Construction Management
- Multifamily Property Management and Operations



KILBOURNE PRINCIPALS



MIKE ALLMENDINGER
PRESIDENT

KILBOURNE GROUP

- Founding team member of Kilbourne with over 10 years of broad experience in identifying, developing, permitting, designing, building, and managing mixed-use development and infill projects.
- Experience in building key stakeholder relations, as well as assembling and leading a team to create project vision, design process, construction, and operations of real estate portfolio.
- Bachelor of Environmental Design and Bachelor of Landscape Architecture, North Dakota State University (NDSU).
- NDSU Architecture and Landscape Architecture Advisory board member and Plains Art Museum board member.



BILL ROTHMAN
CHIEF FINANCIAL OFFICER

KILBOURNE GROUP

- Joined Kilbourne Group in 2017 as the Chief Financial Officer.
- Former CFO of Boulder Ventures Development, a real estate development firm based in Salt Lake City, UT.
- Leadership roles with OneWest Bank/ IndyMac Federal Bank, Washington Mutual Bank, and Bank of America.
- Bachelor of Arts, University of California, Davis; MBA in Real Estate and Corporate Finance, University of Southern California.

ABOUT CITY HALL COMMONS

CITY HALL COMMONS



City Hall Commons is a local commercial real estate entity that aims to provide elite main street storefront retail space on Hibbing's historic Howard street. City Hall Commons principals have decades of local knowledge and experience on the iron range. Expertise ranges from commercial, retail, and industrial local businesses to a wide array of local real estate under ownership and management. CHC prides itself on contributing to Hibbing's strong presence on the Iron Range and intends to continue building to a better future.

CITY HALL COMMONS PRINCIPALS



JOHN BOUGALIS
PRESIDENT

CITY HALL COMMONS RETAIL REAL ESTATE

- John's portfolio includes a Hibbing multi-unit industrial rental complex, multiple new construction residential homes in Minnesota and other commercial real estate investment partnerships



ANTHONY LARSON
SECRETARY/TREASURER

CITY HALL COMMONS RETAIL REAL ESTATE

- Anthony has a portfolio of multiple residential properties in the Hibbing area. Commercial real estate includes restaurant, industrial and commercial properties



JAMES BOUGALIS
BOARD DIRECTOR

CITY HALL COMMONS RETAIL REAL ESTATE

- James holds commercial property in Hibbing to include a large tenant list in the downtown area.



Kilbourne, LLC
210 Broadway N
Suite 300
Fargo, ND 58102

City Hall Commons
3402 15th Ave E
Hibbing MN 55746

Mike Allmendinger
President
Email: mike@kilbournegroup.com
Phone: 701.237.2279

Bill Rothman
Chief Financial Officer
Email: bill@kilbournegroup.com
Phone: 701.237.2279

Jim Bougalis
Director
Email: jimbougalis@gmail.com
Phone: 218-263-7476

THE IRON EXCHANGE AT 400



FORGED IN THE PAST - DESIGNED FOR THE FUTURE

**SPECIAL HEDA MEETING
TUESDAY JULY 29, 2025 — 8:00 AM**

A NEW VISION FOR DOWNTOWN

The Iron Exchange at 400 is more than a new address—it's a transformational investment in the heart of Hibbing. Rooted in the proud legacy of Minnesota's Iron Range, this visionary mixed-use development reclaims a historic downtown site and reimagines it for the next generation. Drawing inspiration from Hibbing's industrious past and resilient spirit, The Iron Exchange At 400 blends heritage with forward-thinking design to create a place where people can live, work, gather, and thrive.

Once the site of significant downtown commerce—and shaped by the region's mining economy—the 400 Block now enters a new chapter. With upscale residences, vibrant street-level retail that will engage the community, The Iron Exchange At 400 will offer a fresh, modern lifestyle in a setting rich with character and history. It's a development that honors where Hibbing has been—while helping define where it's going. Whether you're sipping coffee at a locally owned café, working remotely in a sunlit apartment, or enjoying a night out just steps from your front door, life at The Iron Exchange At 400 is about connection, convenience, and community-driven revitalization.

FORGED IN THE PAST - DESIGNED FOR THE FUTURE —

Residential Component

- Approximately 56 market-rate workforce housing units
- Underground parking & controlled access for residents
- Fitness facility, community room for social gatherings space and outdoor patio area for leisure

Commercial Component

- Approximately 17,000 square feet of street level retail and service space for commercial tenants
- Designed to support restaurants, cafés, and retail services
- Tailored to meet everyday needs of both residents and the wider Hibbing community

Community Demand & Economic Impact

According to a 2023 study by Maxfield Research, Hibbing is a net importer of workers and faces a projected need for 1,200 additional housing units by 2035. This project responds directly to that need—providing market-rate workforce housing in a walkable, downtown location that supports both residential growth and economic activity.

This development will provide quality living spaces with a focus on community and convenience

HULL-RUST-MAHONING
OPEN PIT IRON MINE
HAS BEEN DESIGNATED A
REGISTERED NATIONAL
HISTORIC LANDMARK
UNDER THE PROVISIONS OF THE
HISTORIC SITES ACT OF AUGUST 21, 1935
IN COMMEMORATING OR ILLUSTRATING
THE HISTORY OF THE UNITED STATES
U. S. DEPARTMENT OF THE INTERIOR
NATIONAL PARK SERVICE

THE IRON EXCHANGE AT 400

Forged in the Past. Designed for the Future ... The Iron Exchange at 400 isn't just a new place to live—it's a bold step forward in Hibbing's revitalization. Inspired by the region's Iron Range legacy, this landmark mixed-use development transforms the area's industrial heritage into a vibrant residential and commercial destination for everyone.

Residential Component

- 56 multifamily housing units
- Dedicated underground residential parking
- Dedicated surface retail parking

Commercial Component

- 17,000 square feet of ground-floor commercial space
- Designed to accommodate retail, entertainment and service business

Demand Drivers

- In 2023 study by Maxfield Research, Hibbing is a net positive importer of workers and shows demand for 1,200 new housing units by 2035

Local Business Engagement

- Development Team will include local businesses, including Widseth in Hibbing, and Grand Rapids State Bank in Grand Rapids
- Identify new and local businesses as tenants for the commercial space



WIDSETH
ARCHITECTS • ENGINEERS

THE IRON EXCHANGE AT 400

PROJECT SUMMARY

Original Block

Original buildings date back to the early 1920's. History has recorded that Robert Zimmerman, AKA - Bob Dylan once lived in an apartment above the L & B Café at 419 E Howard Street.



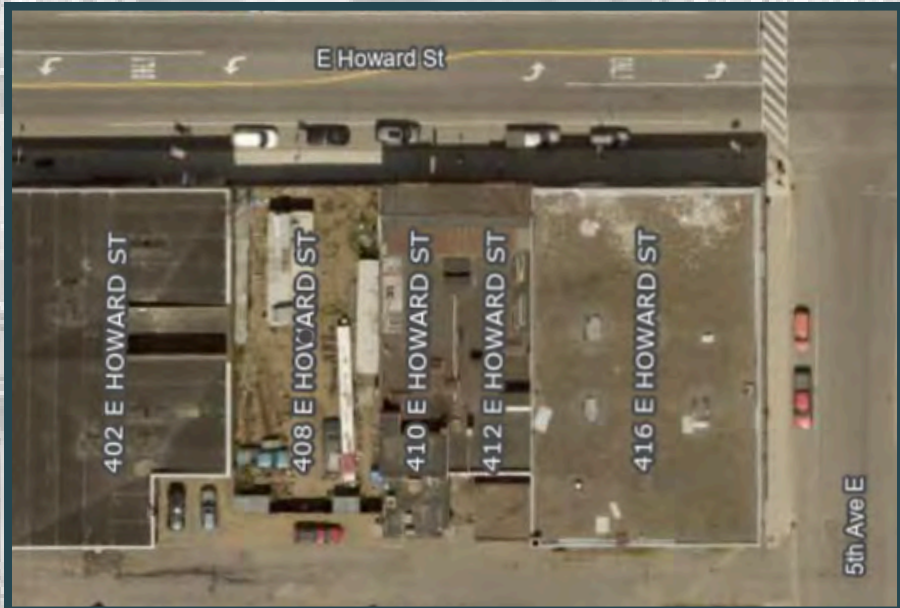
Fire & Destruction

On August 16, 2016, a fire broke out at the Brickyard Building located at 408 E. Howard Street, resulting in complete destruction and causing significant damage to the adjacent property at 410-412 E. Howard Street.



Existing Block

The 400 Block on East Howard Street now owned & controlled by the Hibbing Economic Development Authority (HEDA) and has designated the site for planned redevelopment.



Re-Birth

The project will include 17,000 square feet of retail, 110 parking stalls and 56 market-rate units—meeting critical housing needs & , providing essential retail-services, increasing visitor & foot traffic that will support local business & drive downtown revitalization.



HOUSING OPTIONS

Market Rate Apartments Designed For Workforce Housing

What is it?

- Rental housing that's meant for working people
 - It is priced at the going rate in the local market & provides upgraded spaces
 - Without government rent limits or income restrictions
- It's built for folks like teachers, nurses, tradespeople, or skilled & non-skilled workers
 - Who earn a steady income
 - Offers a vibrant residential experience paired with modern commercial space within a walkable, community-oriented setting

In short, workforce housing bridges the gap between affordable housing and luxury apartments—providing well-designed, desirable and amenity-rich homes that support retention and recruitment of the local workforce, without relying on income-restricted subsidies

Senior Co-op Housing

What is it?

- A senior co-op is a type of housing where residents buy a share in the building (not the unit itself). Larger units require a larger ownership share
- That share provides the right to live in a specific unit and have a say in how the community is run

- Residents enjoy tax benefits similar to homeownership

However, residents do not technically own the unit, residents still pay monthly fees, often contribute a sizable upfront membership/initiation fee, and are responsible for the cost of repairs inside their unit

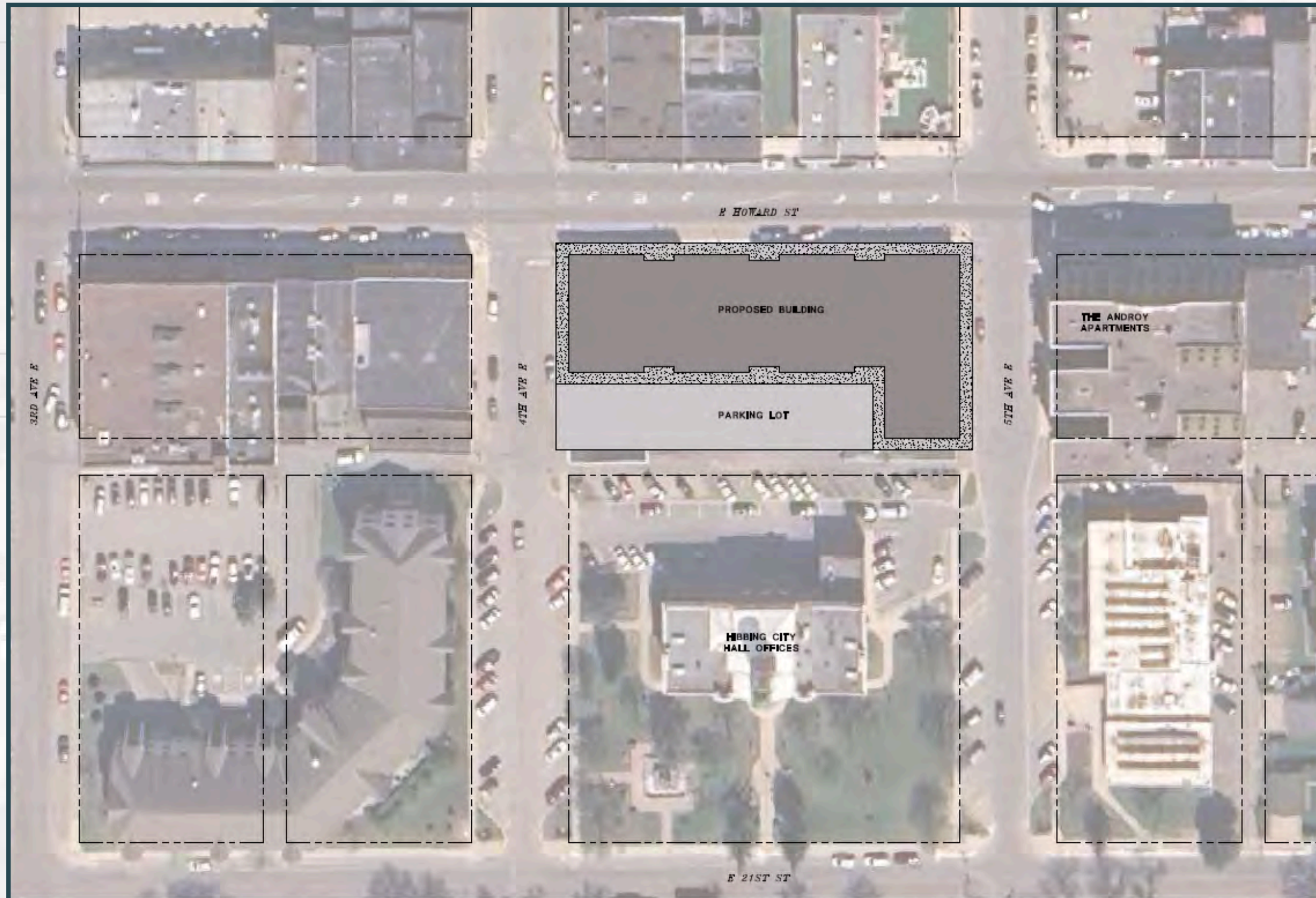
VS

Because of the sizable upfront fee, co-ops require larger spaces for amenities including, communal lounges, fitness centers, media rooms, community kitchens & other spaces

- This reduces total number of housing units in building
- Will increase construction costs
- Leads to higher monthly payments for residents

Equally Important Seniors typically will not venture out after 6:00 p.m., which will impact downtown business

SITE PLAN



- On Site Parking:
 - 42 Stalls Surface Parking (Workforce Housing & Retail - Reserved)
 - 70+ Stalls Subgrade Underground Parking (Workforce Housing - Reserved)

WIDSETH
ARCHITECTS ■ ENGINEERS

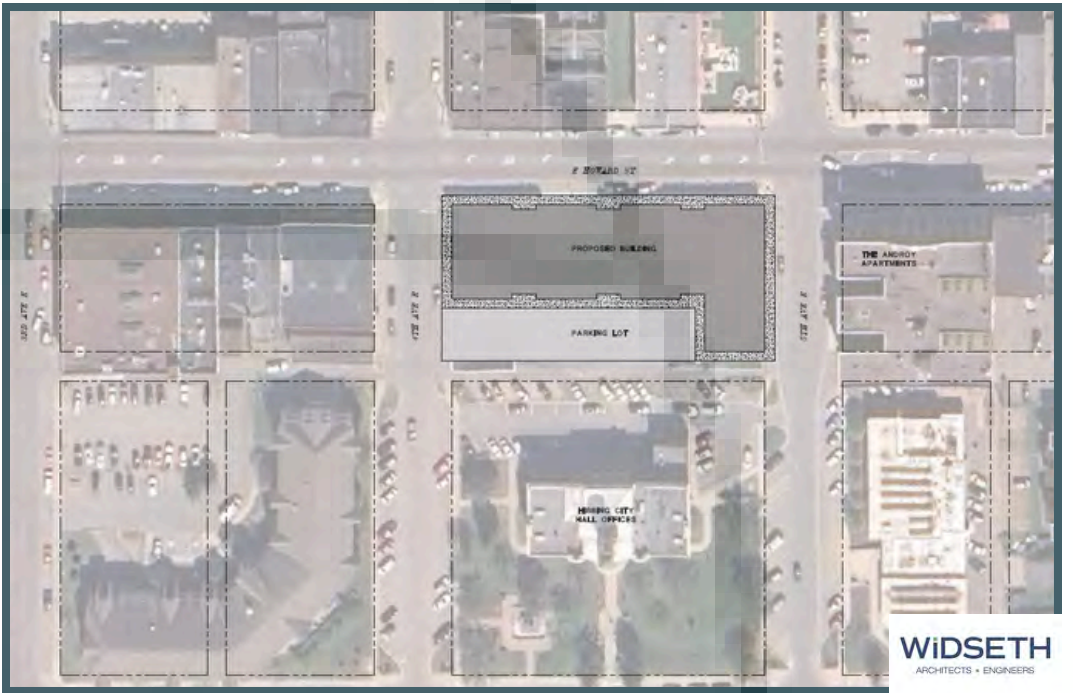
THE IRON EXCHANGE AT 400

CONSTRUCTION COST ESTIMATES

COST ESTIMATES					
Floor	SF	# Stalls/Units	Cost/Stall	Cost/SF	Total Cost
Sub-Park	23,000	70	40,000	122	2,800,000
Surface Park	9,500	40	25,000	105	1,000,000
*1st - Retail	23,000	TBD		225	5,175,000
2nd - MF	23,000	21		235	5,405,000
3rd - MF	23,000	21		235	5,405,000
4th - MF	19,500	14		235	4,582,500
TOTALS	121,000	110			24,367,500

* Average Cost/SF - \$135 Warm Vanilla Shell

* Average TI/SF - \$90



GAP ESTIMATES & TIMELINE ***

FOLLOWING NUMBERS AND PERCENTAGES ARE BASED ON RECENT SIMILAR AWARDS FOR PROJECTS OF SIMILAR SIZE ON THE IRON RANGE

Projected Total Cost	100%	24,367,500
DEBT & EQUITY		
• First Mortgage	45%	10,965,375
• Equity	20%	4,873,500
TOTAL DEBT & EQUITY	65%	15,838,875
GAP REQUIREMENTS	35%	8,528,625
*GAP SOURCES (BASED ON HISTORICAL AWARDS (%))		
City TIF		TBD
City/EDA Loan		TBD
MHFA (WHDP-Workforce)		TBD
IRRRB		TBD
Northland Foundation		TBD
Other		TBD
TOTAL GAP NEEDS	35%	8,528,625
TOTAL DEBT & EQUITY	65%	15,838,875
TOTAL GAP NEEDS	35%	8,528,625
TOTAL DEBT - EQUITY - GAP	100%	24,367,500

Rebound Estimated Workforce Housing Project Timeline - 400 Block Hibbing, MN			
Today Thur June	2026		*Grant Applications
July	2025		HEDA & Rebound Complete Development Agreement
August	2025		HEDA Approves 400 Block Demo
September	2025		400 Block Demo Begins
Spring	2026		**Rebound begins bid process
Spring	2026		**Rebound finalizes first mortgage
Spring	2026		**HEDA transfers 400 block to Rebound
Spring	2026		**Rebound begins pre-leasing
May	2026		**Groundbreaking
September	2027		Completion - Grand Opening
* HEDA (TIF/Deed/IRRRB/WHDP/Northland/GoWest/Greater MN Housing Infrastructure Grant)			
** Contingent upon business assistance/GAP needs			

*** DOES NOT CURRENTLY INCLUDE REVOCITY FUNDS - BUT MAY IN THE FUTURE

OUR TEAM



Rebound Partners
INVESTMENTS • MANAGEMENT

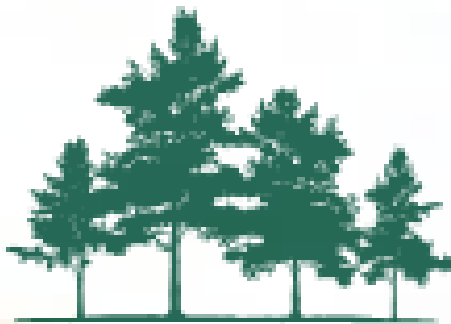


Rebound Real Estate
DEVELOPMENT • ACQUISITIONS

WIDSETH
ARCHITECTS ■ ENGINEERS



REVOCITY



GRAND RAPIDS
STATE BANK.
• est 1914 •

SITE HISTORY

- Existing buildings date back to the early 1920's, designed and constructed by the Oliver Mining Company. Building include the Congdon McIntyre Building, the Golden Rule, the Sonaglia-Barbadori-Antonelli Building and the Kalliman-Ratican-Underwood Building
- 402-406 / Currently Vacant; 408 / Destroyed by 2016 fire; 412-414 / Heavily damaged by 2016 fire / 416-420 - Vacant since 2013 owner bankruptcy; All building controlled by HEDA



WIDSETH
ARCHITECTS • ENGINEERS

IMPACT INVESTING — IT'S WHAT WE DO

Impact Investing

Community Return

- Stimulate economic activity, synergistic development and job creation
- Increase and enhance supply of housing, lodging and retail
- Retain & attract businesses to community
- Vitalize community development
- Support community needs

Investor Return

- Attractive and stable income return
- Build equity
- Inflation hedge
- Diversify investment portfolio
- Tax benefits (depreciation deduction)

Hibbing

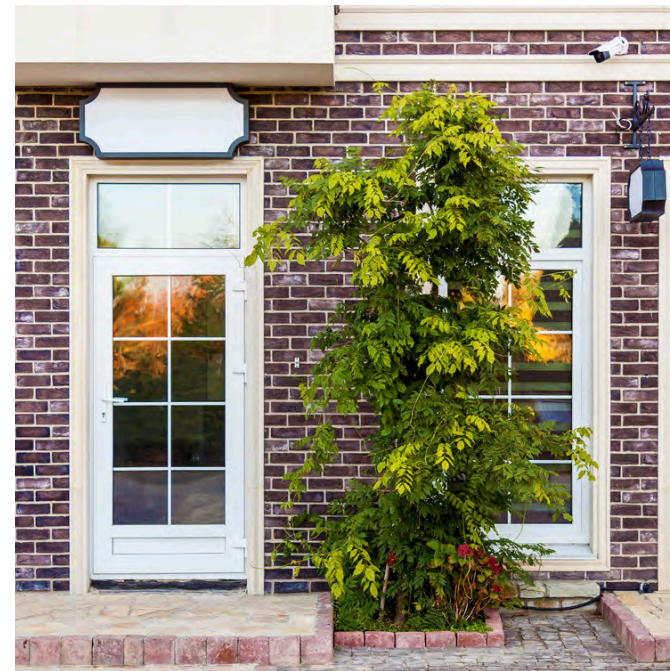
MN

COMMUNITY BENEFITS



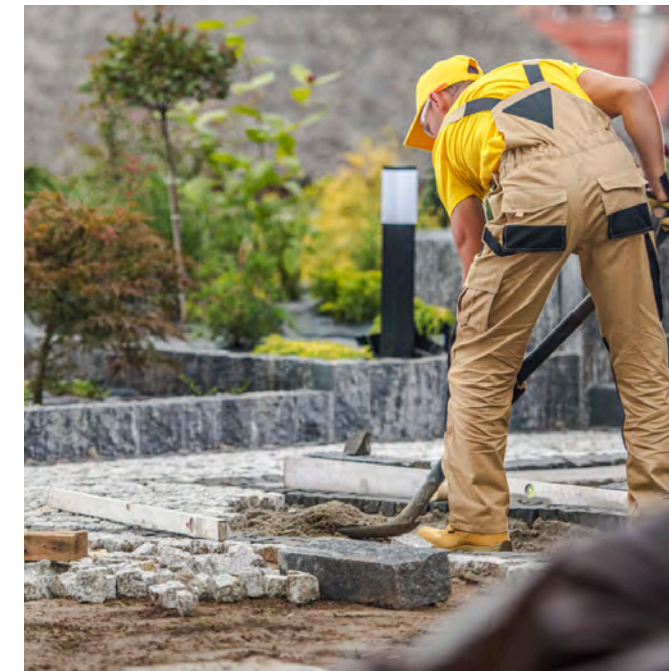
Creates Jobs

New real estate development in small towns generates jobs by stimulating local construction, increasing demand for services, and attracting businesses that support the growing community.



Supports Existing Businesses

Real estate development boosts current businesses in small towns by increasing foot traffic, enhancing property values, and creating a more vibrant community that attracts new customers.



Generates Tax Revenue

Real estate generates tax revenue by increasing property values and expanding the tax base, which provides essential funding for local services and infrastructure.



Attract New Business & Residents

Real estate development attracts new businesses by creating a more appealing environment, offering modern facilities, and providing a larger customer base in growing communities.

RECENT IRON RANGE ACCOMPLISHMENTS



The Sawmill
2022 (ongoing)
Grand Rapids Redevelopment

- 82-room lodging facility branded Best Western Plus.
- Retail Center with Starbucks and T-Mobile as anchors
- Circle K
- Proposed Senior Housing



The Heights
2025
Grand Marais Housing Project

- Three-story, 36-unit workforce housing project near downtown that will provide studio, one- and two-bedroom apartments geared toward year-round, working residents.

GRAND MARAIS HOUSING PROJECT

“That is a shining star example of local ownership of a project to respond to a community need!

As you can see with the Grand Marais project if the community gets behind a project, and the local people can come together as owners, the agency can come in with significant funding to help close the gap and make the project a reality! This could go beyond housing to downtown revitalization or others community driven initiatives!”

-IRRRB

HOWARD STREET PARCELS

ADDRESS	PID	LOT	BLOCK	WIDTH	DEPTH	SF
402 E HOWARD ST	140-0070-01450	LOTS 2 3 & 4	BLOCK 9	79	125	9,875
408 E HOWARD ST	140-0070-01480	LOTS 5 & 6	BLOCK 9	53	125	6,625
410 E HOWARD ST	140-0070-01500	LOT 7	BLOCK 9	26	125	3,250
412 E HOWARD ST	140-0070-01510	LOT 8	BLOCK 9	26	125	3,250
416 E HOWARD ST	140-0070-01520	LOTS 9 10 & 11	BLOCK 9	80	125	10,000

33,000



THE IRON EXCHANGE AT 400

INSPIRATION FOR HIBBING



The Archer -Northfield, MN (in development)

Project Details:

- **23 Market Rate Units + 19 Short-Term-Stay Suites**
- **Commercial Tenants**
 - Full Service Restaurant (Name to be announced)
 - Coffee Shop (Name to be announced)
 - Retail Space

Case Study on Page 17



Ascend - Owatonna, MN (completed in 2025)

Project Details:

- **69 Market Rate Units**
- **Commercial Tenants**
 - Mineral Springs Brewing
 - West Bank
 - Olmstead Medical Center

Case Study on Page 18

CASE STUDY: THE ARCHER HOUSE (NORTHFIELD)



In 2020, Archer House River Inn, built in 1877, suffered a massive fire leading to demolition and redesign of the site.

Location	Northfield, Minnesota (Downtown)
Type	Mixed-Use Development
Site Size	0.56 acres (0.38 acres buildable)
Apartments	23 apartments
River Inn Suites	19 lodging rooms
Underground Parking	34 Parking Stalls
Commercial Main Level	8,500 Square Feet (Restaurant & Retail)
Groundbreaking	Fall 2025
Development Cost	\$20M



CASE STUDY: ASCEND (OWATONNA)

Ascend - Mixed-Use, Owatonna, Minnesota

Status	Opened January 2025
Location	Downtown (<i>one block from main street</i>)
Type	Mixed-Use
Building Size	124,000 Square Feet
Apartments	69 Apartments
Parking	59 Underground + 122 Exterior
Olmsted Medical	22,600 Square Feet
MSB (Brewery)	8,340 Square Feet
Development Cost	\$27.5M (Total TIF Value of \$7.6M)
Size	2.56 Acres



CASE STUDY: 5TH STREET LOFTS (NORTHFIELD)

- 79 unit apartment redevelopment in downtown Northfield opened in 2021 with 100% occupancy
- Underutilized block downtown, the new development provided in-fill, density and vibrancy in community
- 54 covered parking stalls on bottom level plus outdoor and indoor sky lounge and fitness center
- Property has maintained near 100% occupancy since opening with multiple rental rate increases
- Stabilized and cash flowing providing monthly distributions to the 39 owners of the apartment



IMPACT

\$7.9 million projected local economic supported activity per year

137 full time employees supported during development

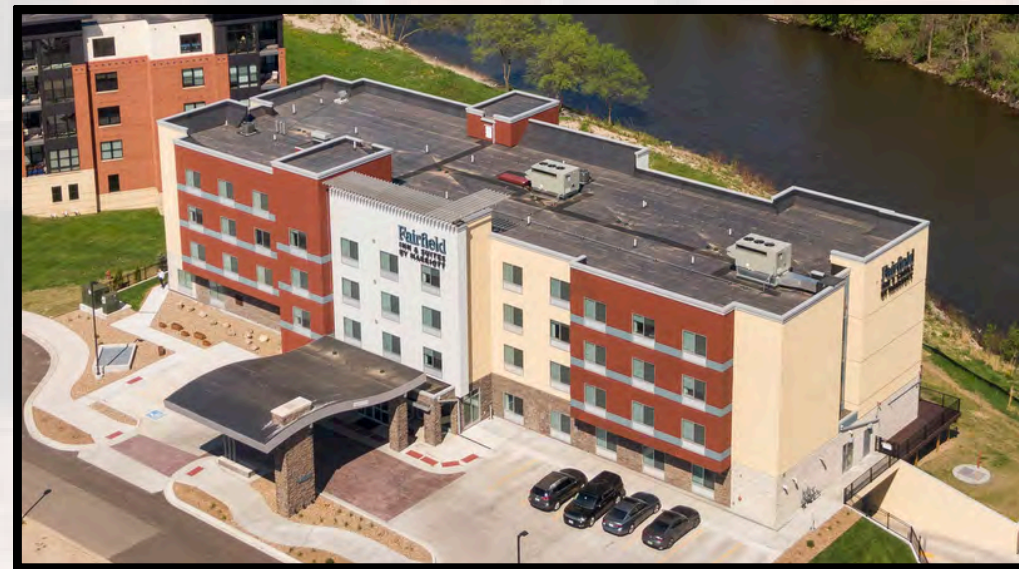
Monthly distributions to investors; strong property performance

WHY REBOUND PARTNERS?

- Long track record of timely property closings through real estate experience and leveraging important consultant relationships (Legal, fundraising, accounting, title, etc.)
- Committed to optimizing the development of the 400 Block as a mixed use project
 - *Willing to partner with local allies if opportunity arises*
- 400 Block serves as the initial steps in starting a mutually beneficial relationship between the City of Hibbing and Rebound Partners



Rebound Partners
INVESTMENTS • MANAGEMENT



THE IRON EXCHANGE AT 400

REBOUND COMMUNITY STATUS & GEOGRAPHY

16+ ACTIVE FUNDS & PROJECTS

- Northfield Fund II & III
 - Winona
 - Owatonna
 - Spring Grove
 - Faribault
 - Albert Lea
 - Austin
 - Kenyon
 - New Ulm
-
- Grand Rapids
 - Decorah
 - Cook County
 - Hastings
 - Jackson
 - Baxter
 - Bemidji



7+ PIPELINE PROJECTS & COMMUNITY FUNDS

- Le Sueur
- Waseca
- Lake City
- Red Wing
- Thief River Falls
- Marshall



20+ COMMUNITIES ENGAGED

\$32M+ EQUITY RAISED

30+ PROPERTIES OWNED

50+ LOCAL GENERAL PARTNERS

400 LIMITED PARTNER INVESTORS

THE IRON EXCHANGE AT 400

QUESTIONS & FEEDBACK



Rebound Partners
INVESTMENTS • MANAGEMENT



Rebound Real Estate
DEVELOPMENT • ACQUISITIONS



REVOCITY



Jeffrey Draxten

- jdraxten@reboundpartners.com
- (612) 747-6710

Brett Reese

- brees@reboundpartners.com

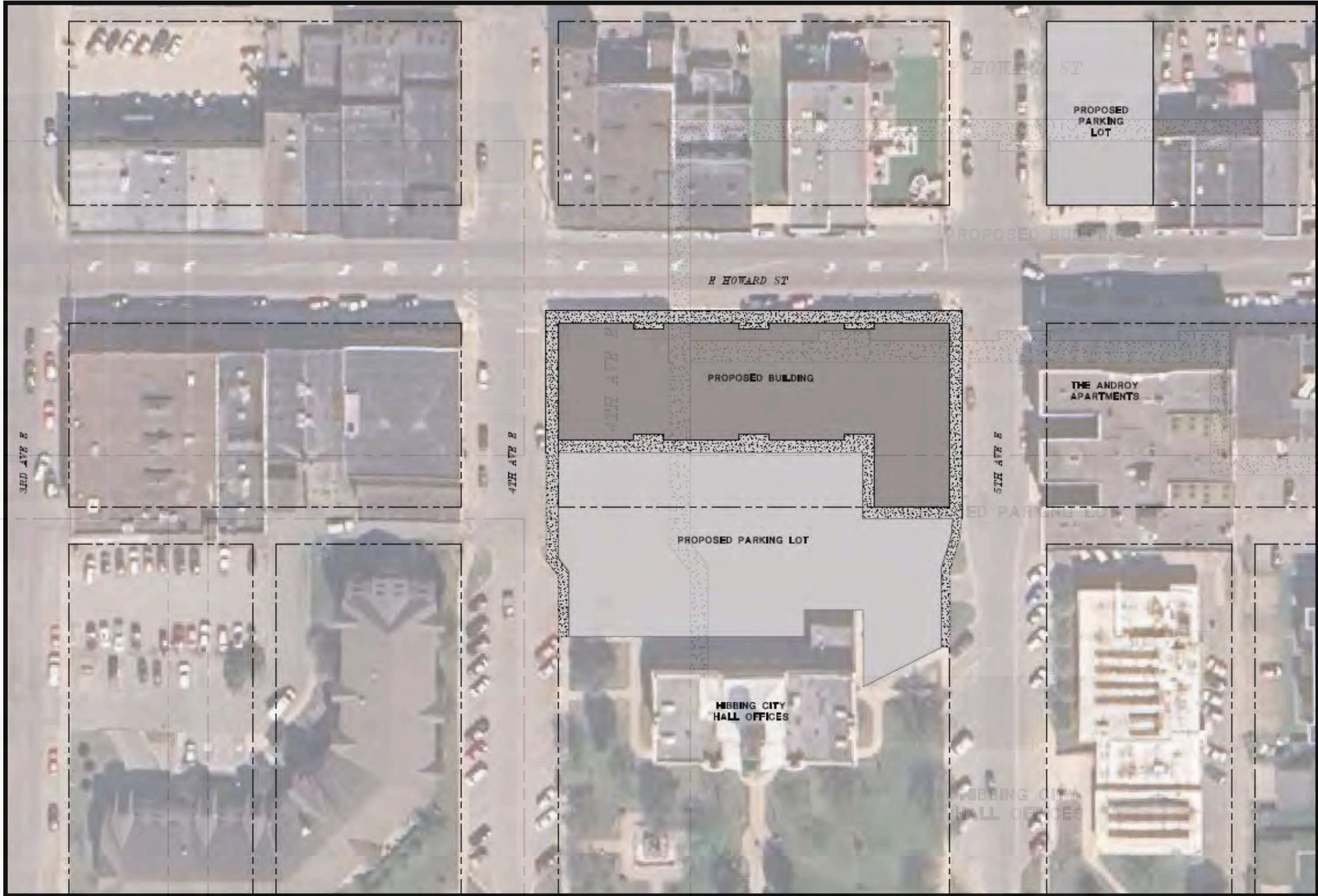
THE IRON EXCHANGE AT 400



Questions & Feedback

ALTERNATIVE PARKING OPTIONS - PAGE 1

Contingent on the Hibbing Parking Study



ALTERNATIVE PARKING OPTIONS - PAGE 2

Contingent on the Hibbing Parking Study

South Lot

- On Site Reserved & Public - 2 Story Ramp:
 - 180 Total Parking Stalls
 - 60 Stalls (MF & Retail - Reserved)
 - 120 Stalls (Public)
 - Access to City Hall & Library

North Lot

- Off-Site Surface Parking - Public:
- 30 Total Parking Stalls



COMPANY PROFILE



Rebound Partners
INVESTMENTS • MANAGEMENT

As an investments & management company, Rebound Partners collaborates with individuals, businesses and communities to offer unique insight and perspective, from inception through all phases of growth. Our end goal is to have communities reach their exceptional potential. Rebound Partners has nine distinct areas of focus in which we do business including Rebound Real Estate & REVocity.



Rebound Real Estate
DEVELOPMENT • ACQUISITIONS

Full service acquisition, development, and asset management company creating long-term value for investors. The team creates uniquely tailored projects regardless of the location, size, or project scope.



REVOCITY

Partners with communities to get real estate projects identified, financed and developed through creation of locally driven community real estate funds.



FACTORS FOR DEVELOPMENT SUCCESS

Public-Private Partnership



REBOUND REAL ESTATE PROJECT EXPERIENCE



Historic Renovations



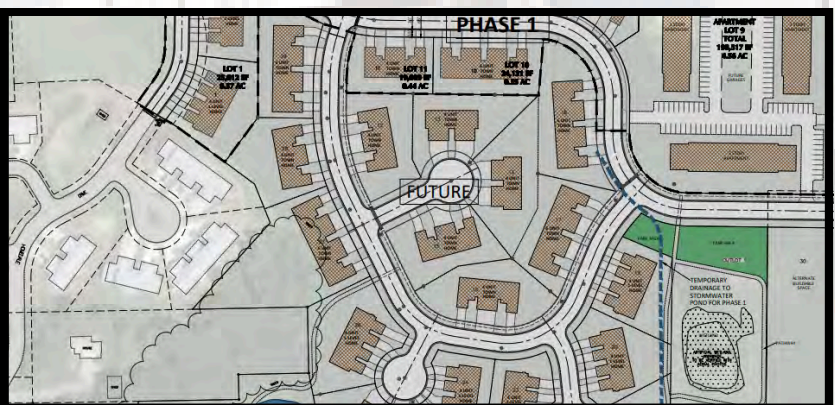
Downtown Apartments



Retail Development



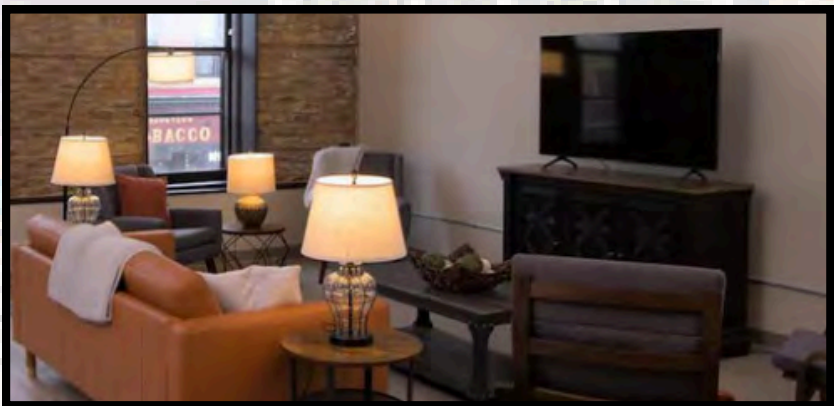
Mixed-Use Renovation



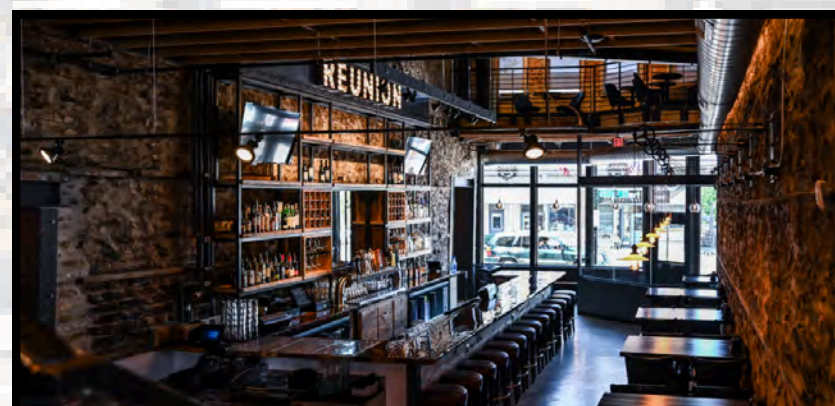
Residential & Commercial Development



Branded & Boutique Hotels



Downtown Renovations



Food & Beverage



Commercial & Industrial



2508 1st Ave • Hibbing, MN 55746-2243 • Phone: 218-206-6622

Hibbing Parents Nursery School
Phone: 218-403-0804

Job Address:
1637 East 40th Street
Hibbing, MN 55746

Print Date: 7-16-2025

Proposal for HPNS - Doors

Thank you for allowing us to provide you with a proposal! This proposal includes cutting a hole and installing interior double doors and cutting a hole exterior wall instal header and finish off wall to install an emergency exterior door. We will have an electrician move wires in the walls.

Please take some time to review and feel free to reach out to us if you have any questions. We look forward to working with you!

Items	Description
Site Prep 302 - Carpentry Labor	
Cut Hole and Frame Door 302 - Carpentry Labor	Cut and frame new hole for double doors
Build and Install 302 - Carpentry Labor	Build and install door frame and trim
Hang Door 302 - Carpentry Labor	Hang door
Paint Door 308 - Painting Interior	Paint interior door and trim
Patch Floor 302 - Carpentry Labor	Patch floor carpet
Double Door Materials 210 - Building Materials	Door slabs, frame, trim and hardware
Cut Exterior Door 302 - Carpentry Labor	Cut Hole for emergency exterior door
Frame Exterior Door 302 - Carpentry Labor	Frame exterior door
Patch Siding 302 - Carpentry Labor	Patch exterior siding around new exterior door
Jams and Trim 302 - Carpentry Labor	Install interior jam extensions and trim
Floor Patch 302 - Carpentry Labor	Patch interior floor at new exterior door
Exterior Door Materials 210 - Building Materials	Mesabi glass Exterior Door with panic bar
Electrical Subcontract 410 - Electrical	Electrical to move wires and cap heater
Materials 210 - Building Materials	Siding (as needed), interior trim, framing, patch carpet, jam extensions, trim
Site Clean Up 302 - Carpentry Labor	Site clean up

Total Price: \$13,889.00

Upon your approval of this proposal, you will allow us to proceed. A 50% deposit is due upon approval.

Pending as of Jul 16, 2025 by Kindal Cook

Reason for Action



Aikey Contractors
301 12th St NW
Chisholm, MN 55719
218-969-4705

Date: 2025.07.11
Expiration: 2025.08.11

Proposal# AJB25028

Customer: Niki Steel

Project: Door Installment

Site: 1637 E 40th St Hibbing MN 55746

Scope of Work:
Furnish & Install all materials to complete as followed

Building

- 1 Exterior Commercial Fire Rated Door with Panic Bars & Closers.
- 1 Interior Solid Double Doors with Hardware.

Electric

- 1 Removal of (1) Heater and (2) Outlets with reconnecting the circuitry.

Price: Fifteen thousand nine hundred four dollars and zero cents.

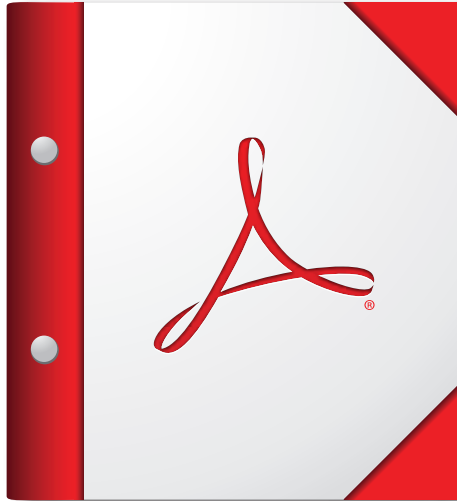
\$15,904.00

Signature & Title:

Accepted Date:

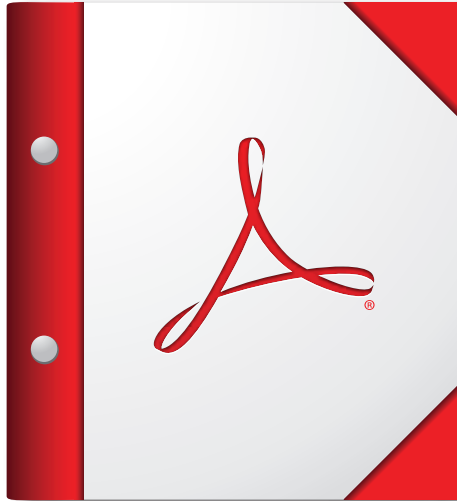
Disclaimer:

Aikey Contractors Contracts are binding, and customer agrees to pay all fees associated if legal action is taken to collect any unpaid debts to contractor. Aikey Contractors is responses for only repairs on this agreement. Aikey Contractors warranties material (furnished by them) and their labor performed up to 365 days after completed project date. Aikey Contractors will bill out 30% of the total project total immediately after the receipt of an order. This contract between signed parties shall supersede any documentation or agreements after the above given date. Invoices are Net 30. Change order will be billed at time of acceptance.



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Estimate Detail

Print

CUSTOMER INFORMATION (SHIPPER)

Name Emma Keeler

Email emma.j.keeler@gmail.com

Phone (218) 966-0963

Business Name Hibbing Parenting Nursery School

TWO MEN AND A TRUCK® (CARRIER)

Address 5350 Miller Trunk Hwy Suite B, Duluth, MN 55811

Phone (218) 461-3331

DOT 1446174 **MC** 804282

State Authority HHG: 309905

From

2810 Diane Ln, Hibbing, MN 55746-3404

Destination

1637 E 40th St, Hibbing, MN 55746-3611

Reference Number 32163972

Preferred Service Date 06/27/2025

✓ SERVICE BREAKDOWN

\$8400.00-\$10080.00

Overview

No. of Trucks: 4

No. of Movers: 8

1 hour minimum required.

Details

Service Type	Service Description	Hours	Rate
Move	2 Men / 1 Truck	10.00 to 12.00	\$210.00
	6 Men / 3 Trucks	10.00 to 12.00	\$630.00

Services Subtotal

\$8400.00-\$10080.00

VALUATION

\$100.00

TRAVEL CHARGE

\$1,680.00

TOTAL

\$10180.00-\$11860.00

Prepared By

Marcus Temple

A deposit may be required to book your job.

The details are based on the information collected.

Acceptable forms of payment include: Cash, Check, Credit Card, Mastercard

Terms and Conditions

The rates listed are based on the information you provided. Final price may change based on actual services rendered.

A-1 MOVERS, INC.

SUPERIOR, WI 54880
IRCC NO.58633
US DOT NO. 1129233

DATE 5/28/25

SHIPMENT MOVING FROM Hibbing TO Hibbing

PACKING DATE OR PERIOD OF TIME REQUESTED	LOADING DATE OR PERIOD OF TIME REQUESTED	DELIVERY DATE OR PERIOD OF TIME REQUESTED
--	--	---

PREMOVE SURVEY (Based on tariff A-1140 Intro 100%)

Transportation: wt. _____ lbs. _____ mi. @ \$ _____ per 100 lbs. \$ _____

Valuation Charge Released valuation at 60¢ per pound per article or lump sum value declared by shipper of \$ _____

On Transportation: \$ _____ @ \$ _____ per \$100.00 _____

On Storage-in Transit \$ _____ @ \$ _____ per \$100.00/mo.

Hourly rated move _____

Pickup or delivery for storage in transit _____ lbs. @ _____ c per 100 lbs.

Storage in transit at _____ lbs. @ _____ c per 100 lbs. (for each 30 days or fraction thereof)

Warehouse handling _____ lbs. @ _____ c per 100 lbs. (one time charge) _____

Extra pickup or delivery at _____

Special servicing of appliances_____

Piano or Organ handling and/or carry _____

Elevator, stair or excessive distance _____

Bulky article loading and unloading_____

CONTAINERS (see below) _____

Trip charge: 500

PACKING (see below)

UNPACKING (see below) _____

Labor 3 Driver(s) for 8 hrs. @ 2/2 ⁰⁰ per Hr. 1/9/00

Other services (explain) _____

***Carriers liability is .60 per pound per item.

APPROXIMATE TOTAL COST \$ 1,776⁰⁰

IMPORTANT NOTICE:
THIS SURVEY COVERS ONLY THE ARTICLES AND SERVICES LISTED. HOUSEHOLD GOODS MOVERS AND WAREHOUSEMEN ARE REQUIRED BY LAW TO COLLECT TRANSPORTATION, STORAGE AND OTHER CHARGES COMPUTED ON THE BASIS OF RATES PUBLISHED IN THEIR TARIFF AND TARIFF SUPPLEMENTS.
Minn. Stat. Sec. 221.171, Subd. 1 declares "No permit carrier shall charge or receive a greater, lesser, or different compensation for the transportation of persons or property or for any related service, than the rates and charges named in the carrier's schedule on file and in effect with the commissioner² including any rate fixed by the board³ under Section 221.161; nor shall any permit carrier refund or remit in any manner or by any device, directly or indirectly, the rates and charges required to be collected by him under his schedules or under the rates, if any, fixed by the board."
Minn. Stat. Sec. 221.291, Subd. 5 declares "A person who knowingly offers, grants, gives, solicits, accepts, or receives a rebate, concession, or discrimination in violation of a provision of this chapter, or who by any means knowingly assists, requires, or permits a person to obtain or provide transportation of persons or property for a greater or lesser or different compensation than that approved by order of the board, or in the case of permit carriers than that filed with the commissioner, is guilty of a misdemeanor and upon conviction shall be fined not less than \$200."
²DEFINITIONS: "commissioner", means Commissioner Dept. of Transportation — "board", means Minn. Transportation Regulation Board

Remarks: You will be charged on the actual weight, time and material used.

Moving Consultant

A-1 MOVERS, INC.

SUPERIOR, WI 54880
IRCC NO.58633
US DOT NO. 1129233

SHIPPER'S DESTINATION CONTACT

PACKING DATE
OR PERIOD OF
TIME REQUESTED

LOADING DATE
OR PERIOD OF
TIME REQUESTED

PHONE _____
DELIVERY DATE
OR PERIOD OF
TIME REQUESTED _____

REMOVE SURVEY (Based on Tariff)

Destination ☐ was
☒ was not inspected

Transportation: wt _____ lbs.: _____ mi. @ \$ _____ per 100 lbs. \$

Valuation Charge Released valuation at 60¢ per pound per
article or lump sum value declared by shipper of \$ _____
On Transportation: \$ _____ @ \$ _____ per \$100.00

On Storage-In Transit \$ _____ @ \$ _____ per \$100.00/mo

Hourly rated move.

Shipper ☒ will
☐ will not move some items.

Pickup or delivery for storage in transit _____ lbs. @ _____ c per 100 lbs.

Storage in transit at _____ lbs. @ _____ c per 100 lbs. (for each 30 days or fraction thereof)

Warehouse handling _____ lbs. @ _____ c per 100 lbs. (one time charge)

Extra pickup or delivery at _____

Special servicing of applied

Piano or Organ handling and/or carry

Elevator, stair or excessive distance

Bulky article loading and unloading

CONTAINERS (see below)

Company Name

~~Minnesota Sales Tax on containers~~

Fuel Surcharge

PACKING (see below)

UNPACKING (see below).

Labor 4

Driver(s) for

Other services (explain)

Helper(s) 4

***Carriers liability is .60 per pound per item.

APPROXIMATE TOTAL COST \$

Approx. Container	TOTAL COSTS
1	100
2	200
3	300
4	400
5	500
6	600
7	700
8	800
9	900
10	1000
11	1100
12	1200
13	1300
14	1400
15	1500
16	1600
17	1700
18	1800
19	1900
20	2000
21	2100
22	2200
23	2300
24	2400
25	2500
26	2600
27	2700
28	2800
29	2900
30	3000
31	3100
32	3200
33	3300
34	3400
35	3500
36	3600
37	3700
38	3800
39	3900
40	4000
41	4100
42	4200
43	4300
44	4400
45	4500
46	4600
47	4700
48	4800
49	4900
50	5000
51	5100
52	5200
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61	6100
62	6200
63	6300
64	6400
65	6500
66	6600
67	6700
68	6800
69	6900
70	7000
71	7100
72	7200
73	7300
74	7400
75	7500
76	7600
77	7700
78	7800
79	7900
80	8000
81	8100
82	8200
83	8300
84	8400
85	8500
86	8600
87	8700
88	8800
89	8900
90	9000
91	9100
92	9200
93	9300
94	9400
95	9500
96	9600
97	9700
98	9800
99	9900
100	10000

Approx. TOTAL
Packing COSTS

Approx. Unexp.	TOTAL
000000	000000

THIS SURVEY COVERS ONLY THE ARTICLES AND SERVICES LISTED. HOUSEHOLD GOODS MOVERS AND WAREHOUSEMEN ARE REQUIRED BY LAW TO COLLECT TRANSPORTATION, STORAGE AND OTHER CHARGES COMPUTED ON THE BASIS OF RATES PUBLISHED IN THEIR TARIFF AND TARIFF SUPPLEMENTS.

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Minn. Stat. Sec. 221.291, Subd. 5 declares "A person who knowingly offers, grants, gives, solicits, accepts, or receives a rebate, concession, or discrimination in violation of a provision of this chapter, or who by any means knowingly assists, requires, or permits a person to obtain or provide transportation of persons or property for a greater or lesser or different compensation than that approved by order of the board, or in the case of permit carriers than that filed with the commissioner, is guilty of a misdemeanor and upon conviction shall be fined not less than \$200."

*DEFINITIONS: "commissioner", means Commissioner Dept. of Transportation -- "board", means Minn. Transportation Regulation Board

Remarks: You will be charged on the (actual) weight / (time) and (material) used.

Moving Consultant

Paul Stevens

FILED
3/28/25

REMOVE SURVEY (Based on tariff B-7 PN Lrkd Lard FF)

Transportation: wt. _____ lbs.; _____ ml.; @ \$ _____ per 100 lbs. \$ _____

Valuation Charge Released valuation at 60¢ per pound per
article or lump sum value declared by shipper of \$ _____
On Transportation: \$ _____ @ \$ _____ per \$100.00 _____

On Storage-in Transit \$ _____ @ \$ _____ per \$100.00/mo.

Hourly rated move _____

Pickup or delivery for storage in transit _____ lbs. @ _____ c per 100 lbs.

Storage in transit at _____ lbs. @ _____ c per 100 lbs (for each 30 days)

Warehouse handling _____ lbs. @ _____ c per 100 lbs. (one time charge)

Extra pickup or delivery at _____

Special servicing of appliances _____

Piano or Organ handling and/or carry

Elevator, stair or excessive distance

Bulky article loading and unloading_____

CONTAINERS (see below) _____

~~4% Minnesota Sales Tax on containers~~ fuel surcharge fix 2 180.00

PACKING (see below) _____

UNPACKING (see below) _____

Labor 7 men & truck Driver(s) for 8 hrs. @ 318 per hr. 2,344.00

Other services (explain) 4 men, 2 trucks for 1.25 hrs @ \$78 per 661.50

*****Carriers liability is .60 per pound per item.**

APPROXIMATE TOTAL COST \$ 3,385.36

IMPORTANT NOTICE:

*DEFINITIONS: "commissioner", means Commissioner Dept. of Transportation — "board", means Minn. Transportation Regulation Board

Moving Consultant

AMENDED BUSINESS SUBSIDY AGREEMENT

This Business Subsidy Agreement (the “**Agreement**”) is made effective as of _____ (“**Effective Date**”), by and between **Iron Range Management LLC, a Minnesota limited liability company, and Jacob Hanson (hereinafter Iron Range)**, having a principal place of business at 612 East Main Street, #A1, Anoka, Minnesota 55303, United States, and the **Hibbing Economic Development Authority**, an economic development authority existing under the laws of the State of Minnesota, having its principal address at 401 East 21st Street, Hibbing Minnesota 55746, United States (**hereinafter “HEDA”**).

WHEREAS, Iron Range is conducting an extensive remodel of its premises at 1920 4th Avenue East, Hibbing Minnesota 55746 with the hope of bringing the property up to code; and

WHEREAS, Iron Range received previous support from HEDA; and,

WHEREAS, Iron Range has committed substantial funds to its remodel but to complete the remainder of the remodel Iron Range needs additional capital investment over and above what it currently has available; and,

WHEREAS, Iron Range initially represented that its start of business will create 3 to 4 new jobs within the City of Hibbing by renting out the commercial space renovated and that said rental space will be available by June 2025 and further that the opening of said business (commercial property) will substantially increase the tax base for the City of Hibbing; and,

WHEREAS, Iron Range sought and received a loan from HEDA for an amount totaling \$144,373.80 that was recognized as a Business Subsidy; and,

WHEREAS, Iron Range initially believed that with said loan from HEDA and with additional private funding that it would be able to complete its remodel and open this for commercial renting in June of 2025; and,

WHEREAS, Higher than anticipated engineering and architectural fees have delayed moving forward under the timeline projected; and,

WHEREAS, Iron Range is requesting an additional \$58,900 from HEDA making its total Business Subsidy from HEDA to \$203,273.80; and,

WHEREAS, HEDA has reviewed its criteria for granting a business subsidy as set forth in Resolution 04-04-01 of April 7, 2004, and believes the business conducted by Iron Range meets the criteria established by HEDA its Business Subsidy Criteria in that:

- 1) The project will not proceed in its present design and timetable without the business incentive.
- 2) The project will create new full and potentially part time jobs within the City of Hibbing which will be created within 2 years of receiving assistance and said jobs will equal, at minimum, the federal minimum wage.
- 3) That Iron Range has shown to the satisfaction of HEDA that it has adequate financing to complete the project and that the project will be completed in a timely fashion.
- 4) That Iron Range's application meets the criteria under HEDA's/City of Hibbing's Business Subsidy Criteria as well as that set forth in Minnesota Statutes Section 116J.993.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

- 1) That Iron Range and HEDA will enter into this Business Subsidy Agreement in the amount of \$203,273.80.
- 2) That this loan which is for \$58,900 along with the initial loan of \$144,373.80 meets the criteria of a public purpose in that it will provide for the maintenance of living wage jobs and is projected to increase the number of jobs it currently provides over the next 24 months.
- 3) That said subsidy will specifically provide for the maintenance of Iron Range's current number of employees and is projected to increase the number of employees by 3 to 4 over the next 24 months for the tenant using said property.
- 4) That Iron Range shall be obligated to repay all of the business loans it is receiving that are a part of this Business Subsidy per the terms as set forth by the HEDA Board.
- 5) That the parties agree that said subsidy is needed to help Iron Range complete its remodel of the premises at 1920 4th Avenue East, Hibbing Minnesota 55746.
- 6) That Iron Range, in consideration for said subsidy, agrees to maintain its operations within the City of Hibbing for at least five (5) years from the time said subsidy is provided.
- 7) That the parties agree that Iron Range has received, or anticipates receiving, along with the business subsidy as set forth above, the following financial assistance from Iron Range Resources and Rehabilitation (IRRR) and AEOA:

\$70,000 from AEOA's BER and DBR Grants

\$91,131.45 from the IRRRB's demo grant

TOTAL: \$161,131.45

- 8) The parties agree that all wages paid by Iron Range will be living wages and further that Iron Range will comply with all provisions in the Loan Agreement documents, a copy of which are attached hereto and made a part hereof.
- 9) Iron Range agrees to cooperate with HEDA and provide all information requested by HEDA for reporting this Business Subsidy Agreement to the State of Minnesota.
- 10) The parties agree that should Iron Range fail to meet the requirements of increased tax base, comply with all reporting requirements of this Business Subsidy to the State of Minnesota, sustain 3 to 4 employees increase with living wage jobs, and continue to operate in Hibbing for up to five (5) years from the date of this Agreement and meet all conditions in their loan agreements with HEDA, HEDA shall have the right to declare a default with respect to this Business Subsidy Agreement and Iron Range's loans with HEDA and seek all available relief as HEDA sees fit.
- 11) **MISCELLANEOUS:**
 - a) All notices from one party to the other required or permitted under this Agreement will be in writing, will refer specifically to this Agreement, and will be delivered in person, or sent by electronic or facsimile transmission for which a confirmation of delivery is obtained, or sent by registered mail or express courier services providing evidence of delivery, in each case to the recipient party's respective address set forth on the signature page hereof (or to such updated address as may be

Amended Business Subsidy Agreement
HEDA – Iron Range
drafted July 24, 2025

specified in writing to the other party from time to time). Such notices will be deemed effective as of the date so delivered or on the third business day following mailing.

- b) Other than as expressly set forth in this agreement, Iron Range makes no representation or warranty and hereby expressly disclaims any representation or warranty of any kind, express or implied.
- c) HEDA makes no representation or warranty and hereby expressly disclaims any representation or warranty of any kind, express or implied.
- d) This Agreement is binding on HEDA, on Iron Range, and both parties' successors and assigns. It constitutes the entire agreement between the parties relating to the subject matter hereof and supersedes all other Agreements between the parties prior to the Effective Date, in connection with the subject matter hereof. The headings or titles in this Agreement are for purposes of reference only and will not in any way affect the interpretation or construction of this Agreement.
- e) No waiver of any of the provisions of this Agreement will be valid unless in a written document, signed by the party against whom such a waiver is sought to be enforced, nor will failure to enforce any right hereunder constitute a continuing waiver of the same or a waiver of any other right hereunder. All amendments of this Agreement will be made in writing and signed by both parties, and no oral amendment will be binding on the parties.
- f) This Agreement will be governed by and construed in accordance with the laws of the State of Minnesota without giving effect to any conflict of law principles to the contrary. If any provision of this Agreement is held to be invalid or unenforceable to any extent in any context, it will nevertheless be enforced to the fullest extent allowed by law in that and other contexts, and the validity and force of the remainder of this Agreement will not be affected thereby.

IN WITNESS WHEREOF, the parties have executed this Business Subsidy Agreement as of the Effective Date shown above. Each of the persons signing this Agreement affirms that he or she is duly authorized to do so and thereby to bind the indicated entity. This Agreement may be executed simultaneously in two or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument.

IRON RANGE MANAGEMENT LLC
612 East Main Street, #A1
Anoka, Minnesota 55303

**HIBBING ECONOMIC DEVELOPMENT
AUTHORITY:**
401 East 21st Street
Hibbing Minnesota 55746

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

Jacob Hanson

Job Creation

	Full Time	Part Time	Total Full Time Equivalent*
Number of Existing Employees	_____	_____	_____
Number of New Jobs Created	_____	_____	<u>3-4</u>

*Full time equivalent (FTE) is defined as the number of hours worked by all full-and part-time employees divided by 2,080 (the number of hours in a typical work year: 52 weeks X 40 hours).

Project Cost and Request Summary

Sources

Acquisition	<u>\$190,000</u>
Loan 1	<u>\$69,000</u>
HEDA Loan	<u>\$144,373.80</u>
AEOA Grants	<u>\$70,000</u>
IRRB Demo Grant	<u>\$91,131.45</u>
HEDA Loan 2	<u>\$58,900</u>
TOTAL	<u>\$623,405.25</u>

Uses

Demo	<u>\$91,131.45</u>
Building	<u>\$190,000</u>
Construction/Renovation	<u>\$222,046.37</u>
Soft Costs	<u>\$1,500</u>
Contingency (profit/overhead)	<u>\$59,827.43</u>
Engineering/Architect	<u>\$58,900</u>
TOTAL	<u>\$623,405.25</u>

Loan Description: Include lending institution, interest rate, and loan term from list above

	Lending Institution	Interest Rate	Loan Term	Secured? (Y/N)
Loan 1	First State Bank of the Florida Keys	8.25%	5 years	Y
Heda Loan	Heda	3%	10	Y
HEDA Loan 2	Heda	3%	10	Y

List of collateral and estimated values:

	Description	Value in \$
Item 1	519 1 st ave SW, Chisholm, MN: 8-unit apartment building	\$400,000
Item 2	1918 4 th ave E, Hibbing, MN: apartment building	\$400,000
Item 3	1920 4 th ave E, Hibbing, MN apartment building	\$40,000
Item 4		
Item 5		



Hibbing Economic Development Authority Iron Range Management Loan Write-Up

Eligibility within the Framework of the Revolving Loan Fund Plan

The project meets Priority #1 of the revolving loan fund plan as it involves investment in commercial/mixed-use building renovation in downtown Hibbing. The improvements will bring the building at 1920 4th Avenue East up to code, including removal of the deteriorated third floor, construction of a new roof above the second floor, ADA-compliant bathroom upgrades, and extensive interior renovations. All work will comply with City Building Codes, Fire Safety/Prevention standards, and the use of licensed, insured contractors.

Overall Economic Benefits of the Proposed Project

This project will revitalize a condemned downtown building, improve the aesthetics of the downtown corridor, and preserve a key structure in an area that Iron Range Management is actively revitalizing. Upon completion, 3–4 new full-time equivalent jobs will be created, and multiple residential units will become available, contributing to both economic and housing growth in Hibbing.

Project Costs and Financing Structure

Total Project Cost: \$623,405.25

Funding Sources:

- Acquisition: \$190,000
- Demo Grants: \$91,131.45 (IRRB)
- HEDA Loan #1: \$144,373.80
- First State Bank of the Florida Keys Loan: \$69,000 at 8.25% (5 years, secured)
- AEOA Grants: \$70,000
- HEDA Loan #2 (Request): \$58,900 (for engineering, architectural, and permitting costs)
- Borrower Equity/Contingency: \$59,827.43

Balance Sheet and Equity Position

Iron Range Management has successfully acquired and renovated multiple properties (totaling 30 apartments and 4 commercial storefronts) and is current on all financial obligations. The owner, Jacob Hanson, has provided significant personal investment and collateral, including two apartment buildings valued at \$400,000 each and another property valued at \$40,000.

Analysis of Repayment Ability

Rental income from renovated units and commercial spaces is projected to fully cover debt service obligations. The borrower's portfolio, including the nearby rehabilitated properties, has demonstrated consistent cash flow. The additional \$58,900 request addresses unexpected engineering and permitting costs critical for project completion.

Management Skill of the Applicant

Jacob Hanson, owner of Iron Range Management, has extensive experience in property acquisition, rehabilitation, and management both on the Iron Range and in the Twin Cities. He has a proven track record of successfully turning around distressed properties and maintaining occupancy at renovated units.



Hibbing Economic Development Authority Iron Range Management Loan Write-Up

Collateral Offered and Lien Position

The HEDA loan will be secured by real estate, including:

- 519 1st Ave SW, Chisholm, MN – 8-unit apartment building valued at \$400,000
- 1918 4th Ave E, Hibbing, MN – apartment building valued at \$400,000
- 1920 4th Ave E, Hibbing, MN – subject property, valued at \$40,000

HEDA will hold a junior lien position, subordinate to the primary lender.

Staff Recommended Loan Terms

Amount: \$58,900

Interest Rate: 3%

Term: 10 years, 12 months interest only, or, through construction whichever comes first, fully amortized for remaining 9 years

Security: Junior lien on real estate listed above

Additional Requirements:

- HEDA listed as an additional insured on the business insurance policy
- ACH payment required
- Personal guarantee required
- Life insurance policy for the loan amount (to be added to current coverage)
- Contingent upon senior lender's approval of junior lien position.

COVER PAGE

Iron Range Management, LLC

Business Name:

Primary Business Contact Name: Jacob Hanson

Street Address: 1920 4th ave E

City, State, Zip: Hibbing, MN, 55746

Cell Phone: 320-808-0208

Email: ironrangemanagement@gmail.com

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EXECUTIVE SUMMARY

Briefly Describe Your Project: Iron Range Management is currently trying to bring a mixed use building in downtown Hibbing up to code – 1920 4th ave E. Iron Range Management acquired the property in 2022, however due to years of prior neglect it was condemned about a year later. Substantial work is needed to bring the property into code. If the building is not brought up to code, it will continue to be condemned until the city demands it be torn down.

To bring the building back into code, the entire roof and 3rd floor will need to be removed. The 2nd floor will need to be rebuilt along with the roof, now above the 2nd floor. The 3rd floor cannot be rebuilt. The areas in disarray will be renovated along the way and the storefront bathroom will need to be made ADA compliant.

We are requesting \$58,900, in addition to the already approved \$144,373.80, to bring the property up to code and make the units livable. The new costs for this project are going toward engineering, architect, drawing and permitting costs. These costs were quoted much higher than anticipated when the first loan was applied for. Without these costs accounted for, we won't be able to proceed. All of this work is expected to be completed by December.

Iron Range Management and Iron Range Restaurants (same owner) own the buildings on either side of 1920. To the north is a 6-unit apartment with 3 storefronts. 5 of the 6 apartments have been renovated. All 3 storefronts were boarded up and unusable. They are now cleaned up and the storefront windows and doors have all been replaced. To the South was a vacant building that was a just a kitchen and office space. It is now the location of Hibbing's Elk's Lodge. 1920 is nearly the last building on the 4th avenue block that is left to fix. We desire to see this project through and see this area of downtown Hibbing go from boarded up and vacant to revitalized and thriving!

The income from the completed apartments should service the debt from the requested loan safely, without any income from the storefront needed.

Legal Organization: LLC

Ownership: Jacob Hanson

Funding Request: \$58,900

BUSINESS DESCRIPTION

Business Description: Iron Range Management is an entity that buys, renovates, and rents out apartments on the Iron Range. The business currently consists of 5 properties totaling 30 apartments, and 4 commercial storefronts. The majority of the units are located in Hibbing, MN.

Iron Range Management has bought rental properties, starting in 2021, on the Iron Range. When an apartment becomes vacant, we renovate the apartment to a high standard and rent out the apartment upon completion. We follow Minnesota's Crime-free housing standards and help to house tenants of diverse backgrounds. We serve the tenants in an ethical manner by providing them with quality housing and quality property management.

Vision and Mission: Iron Range Management hopes to improve every building in the portfolio in order to provide good, long lasting housing for those living on the Iron Range. In addition, we hope to continue purchasing rental properties on the Iron Range and providing quality housing and quality management to those renting the apartments.

We work with quality local partners to renovate the apartments and provide quality management. We hope to continue to benefit mutually from the relationships we've formed so far and continue to form relationships with the people of Hibbing and the Iron Range.

GOALS

Project Goals: Our goal with this project is to bring the building up to code and to make the residential units livable and the storefront rentable. On the building side, we will be removing the 3rd floor, building a new roof above the 2nd floor and redoing the electrical system. We are renovating the interiors to a high degree and fixing the storefront, as well.

The \$58,900 requested will be allocated towards the architectural, engineering and permitting expenses of the overall project.

Funding uses (quote attached) and timeline goals:

Engineering, documents, construction administration: \$58,900 8/25

SWOT ANALYSIS

WITHIN THE COMPANY

Strengths: We have significant rental property management experience. We have significant experience in renovating apartments to a high quality. This experience is from rentals in the Twin Cities and on the Iron Range. We also have experience with two projects on the Iron Range with scopes larger than this project.

Weaknesses: Ownership is not local.

OUTSIDE THE COMPANY

Opportunities: There are many rentals available at a good price on the Iron Range.

There are many low quality rentals available, but fewer high quality rentals available.

There are few property managers on the Iron Range and even fewer good, ethical ones.

Threats: Inflation has increased the costs to renovate and do business. People and businesses leave the Iron Range.

INDUSTRY CHARACTERISTICS & TRENDS

CUSTOMER

Demographics: Our customer are Iron Range renters. We follow Minnesota's Crime Free Housing standard, and thus don't rent to those with recent drug or criminal records. Because we have a diverse set of apartments, we are renting to a financially diverse group of renters, from Section 8 to renters with higher incomes.

Psychographics: Minnesota rental laws prohibit discrimination from protected classes of people. While we do discriminate based off of things like crime, past evictions, and credit worthiness, we do not discriminate beyond things that directly affect renting. And therefore, our customers are very inhomogeneous, and cannot easily be characterized as a whole.

Geographic Area: Minnesota Iron Range, currently in Hibbing, Chisholm and Virginia, MN

COMPETITORS

It is not feasible to list specific competitors for rental properties, however, below are two generic rental profiles that can provide an idea on the competition.

1. Generic Low Quality Iron Range Rental

Strengths: Low cost for tenants

Weaknesses: Low quality rental property – dated and damaged finishes, thermally inefficient, frequent maintenance issues

2. Generic High Quality Iron Range Rental

Strengths: Higher quality apartments for tenants.

Few high quality rentals and thus less competition.

Weaknesses: Higher costs for tenants.

The higher quality rentals on the Iron Range could still be improved upon.

Inflation has lead to higher costs for finishing apartments to a high quality.

SALES PROJECTION SUPPORTING DATA

Potential Customer Base: All renters working and living on the Iron Range. We've even had renters and applicants that work remote part-time and commute to Duluth part-time.

National Trends: Nationally (and locally) rents are stagnating or potentially lowering, however, it is following the nation's largest recorded increase in rent.

Competitive Advantage: Providing higher quality rentals and providing higher quality service.

MARKETING PLAN

Social Media/Internet Advertising: The majority of the rental advertising is done on Facebook; however, all the major rental listing services are utilized as well.

Customer Loyalty Program: We offer a referral fee to tenants who connect us to a tenant that passes screening and moves into a vacant unit.

SUPPORT PROFESSIONALS

Attorney: Kirk Tisher: 952.564.6267
Real Estate Attorney, Burn and Hansen

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Insurance Agent, American Family Insurance

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Property Manager, LBR Management

FINANCIAL PROJECTIONS SUMMARY AND ASSUMPTIONS

See spread sheets



Hibbing Economic Development Authority Advanced Machine Guarding Solutions (AMGS) – Change Order Write-Up

Eligibility within the Framework of the AMGS Expansion Project

The \$300,000 financing request qualifies under the HEDA Loan Program Guidelines as an equipment purchase to support a business expansion. The financing will be structured as a change order to insert funding into the existing AMGS expansion project, which is currently financed by the Department of Iron Range Resources and Rehabilitation (IRRR) and Minnesota DEED's 21st Century Mineral Fund. This equipment buildout directly supports AMGS's growing manufacturing operations by funding machine components, switch gear, shop networking, pallet racking, installation labor, and related equipment.

Overall Economic Benefits of the Proposed Project

The AMGS expansion project is expected to:

- Add 12 new full-time jobs (with 19 existing full-time employees retained).
- Increase production capacity by adding advanced automation, allowing AMGS to accept larger orders and potentially generate up to \$8 million in product sales per shift annually.
- Contribute to regional economic growth through expanded manufacturing and local supply chain impact.
- Strengthen Hibbing's position as a hub for industrial manufacturing innovation.

Project Costs and Financing Structure

The AMGS expansion project has an approved total financing package of approximately \$9 million, fully funding the construction of a 35,000 sq. ft. manufacturing facility on HEDA-owned land.

The \$300,000 request does not reduce the funds available for other project components due to headroom within the existing \$9 million financing approval.

Balance Sheet and Equity Position

AMGS has grown revenue from \$445,705 in 2022 to \$1,129,131 in 2023, with projections of over \$4.6 million in 2025 and \$7 million by 2026. The company's long-term equity is projected to exceed \$1.6 million by 2025, demonstrating its financial capacity to support additional debt.

Analysis of Repayment Ability

Projected EBITDA coverage ratios exceed 3.0 by 2025 and 5.0 by 2026, indicating strong ability to service debt obligations, including the additional \$300,000 financing. The primary revenue growth is driven by AMGS's competitive advantage in custom machine guarding and electronic safety integration.

Management Skill of the Applicant

Jason Wobbema, President of AMGS, brings over 22 years of experience in manufacturing, sales management, and automation. The leadership team has successfully scaled AMGS from a start-up to a rapidly growing manufacturer with national OEM clients.



Hibbing Economic Development Authority Advanced Machine Guarding Solutions (AMGS) – Change Order Write-Up

Collateral Offered and Lien Position

The \$300,000 equipment loan will be secured by the newly acquired equipment and incorporated into the collateral structure of the broader AMGS expansion project. HEDA will hold a junior lien, subordinate to the Dept. of IRRR and Mn DEED's first positions.

Staff Recommended Loan Terms

Amount: \$300,000

Interest Rate: 1% set by Dept. of IRRR to HEDA and then passed along to the company at an imputed 3% interest via the lease

Term: matching the terms of the expansion project, 20 years, or as amended throughout the term of the expansion loan

Security: Junior lien on project equipment and existing collateral

Additional Requirements:

- Equipment financed included in the lease for the building
- Contingent on continuing compliance with IRRR/DEED financing agreements.

	Killbourn Group/City Hall Commons	Rebound Partners/Revocity
Project Summary	6 story building	4 story building
Parking Plan	108 stalls	110 stalls
Retail	12,000 Square Feet	17,000 Square Feet
Residential Units	89 Senior Co-Op units	56 Market Rate Apartments
Financial Feasibility/Gap	\$6.23M - \$8.9M	\$8,528,625
Residential Unit Cost	\$370,000/Unit	\$258,000-\$327,321/Unit
Retail	Paid for by residential	\$5,175,000
Parking	Paid for by residential	\$34,545/stall
Pre-sale Requirements	90% (80 Units)	50% (28 units)
Project Timeline	3 years	2 years 2 months
Start of Construction	Sept/Oct of 2026	May of 2026
End of Construction	May-July of 2028	September of 2027
Sources/Uses Provided	No	Yes
Total Project Costs	\$32,930,000	\$24,367,500
City Considerations		
Housing Type & Market Fit	Caters primarily to seniors with significant capital; limited workforce housing impact.	Targets workforce and middle-income residents, matching identified housing gaps.
Alignment with 2023 Housing Study	Focuses on senior co-op units, which addresses need identified in Maxfield study.	Addresses workforce housing shortage, offering 1-2 BR market-rate units per Maxfield 2023 recommendations.
Units Needed	92 Senior Co-ops, 81 Senior Rentals, 137 Senior affordable rentals, 344 Senior single family, and 294 service-enhanced units	184 Market Rate, 81 Senior Market Rate, 245 single family, 117 affordable rentals, 34 subsidized units
Retail & Street Activation	Retail footprint smaller and oriented toward co-op residents rather than downtown activation.	Retail focus at street level, fosters downtown foot traffic.
Alignment with 2018 Comprehensive Plan	Addresses senior housing, mixed-use, and downtown revitalization.	Addresses workforce housing, mixed-use, and downtown revitalization.
Alignment with 2023 Strategic Plan	Addresses Howard Street revitalization; Well-Rounded, Strong Quality of Life; Safe, Secure, & Valued Community	Addresses Howard Street revitalization; Thriving Destination & Regional Leader; Vibrant Economic Hub
Economic Impact & Tax Base	Moderate tax base impact due to length of tax abatement	Tax base increase; downtown activation.
Financial Feasibility	Heavily reliant on HUD approval, 90% pre-sales, and long-term abatements.	TIF + private equity; moderate gap but less dependent on federal funding.

400 Block Redevelopment Project Sources and Uses

Property Acq 416 E Howard Alvarez Estate	\$57,000
Property Acq 408-12 E Howard Raybar Inc	\$300,000
Property Acq 402 E Howard Prime Movers	\$275,000
Demolition Mn DEED	\$407,000
Demolition IRRR	<u>\$21,312</u>
SubTotal	\$1,060,312
Predevelopment Costs	<u>\$150,000</u>
Total	\$1,210,312
City Funding	\$782,000
Outside Funding	\$428,312



HIBBING ECONOMIC DEVELOPMENT AUTHORITY

401 East 21st Street, Hibbing, MN 55746

Developer Selection Criteria – 400 Block Redevelopment Project

1. Experience with Comparable Infill and Downtown Projects

- Track record with main street-scale redevelopment, especially in legacy commercial districts.
- Experience converting underutilized or blighted properties into mixed-use developments.
- Familiarity with financing tools like TIF, grants, and public-private partnerships in small cities.

2. Alignment with the City's Strategic Vision

- Project supports goals in the 2018 Comprehensive Plan and 2023 Strategic Plan, such as:
 - Downtown revitalization
 - Increasing walkability and pedestrian-oriented development
 - Housing variety and density on infill sites
- Design reflects respect for historic district context while introducing compatible new construction.

3. Responsiveness to Housing Market Demand

- Directly addresses the types of housing units identified in the 2023 Housing Needs Analysis:
 - General Occupancy Rental: 280–320 units needed (with emphasis on 1–2 BR market rate)
 - For-Sale Housing: 245 units needed, with 75% as move-up homes (\$250K–\$350K), and some attached/townhomes
 - Senior Housing: Demand for active adult, independent living, and memory care
- Does the developer offer a mix of unit sizes, price points, and tenure (rental/ownership)?

4. Design Quality and Compatibility

- Building design integrates with the historic district character (e.g., scale, massing, materials).
- Site plan supports street-level commercial activity, strong curb appeal, and safe pedestrian access.
- Offers flexible space types (e.g., live/work, micro-retail, community spaces) that suit Hibbing's needs.

5. Community and Economic Impact

- How well does the project contribute to:
 - Tax base increase (from ~\$8K/year to ~\$260K/year projected after redevelopment)
 - Job creation during and after construction
 - Downtown vibrancy and walkability near civic anchors like the library and banks
- Does the proposal include community benefit features (e.g., local hiring, green design)?

6. Financial Capacity and Risk Sharing

- Demonstrated ability to finance and deliver the project without delays or cost overruns.
- Realistic project timeline and commitment to start quickly.
- Willingness to accept risk (e.g., performance guarantees, completion bonds) and minimize city exposure.

7. Experience with Public Partnerships and Incentives

- Proven success in working with municipal entities on similar redevelopment efforts.



HIBBING ECONOMIC DEVELOPMENT AUTHORITY
401 East 21st Street, Hibbing, MN 55746

Developer Selection Criteria – 400 Block Redevelopment Project

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- Demonstrated understanding and effective use of Tax Increment Financing (TIF) and other local incentive tools.
 - Proactive in identifying and leveraging state, regional, and federal funding sources, such as DEED programs, Iron Range Resources grants, HUD or CDBG funds, and MHFA resources.

8. Team Strength and Capacity

- Is the team (developer, architect, contractor, legal, etc.) experienced, cohesive, and reliable?
- Do they have the bandwidth to prioritize Hibbing's project, or are they overextended elsewhere?

9. Commitment to Long-Term Stewardship

- Plan for property management, tenant mix, and maintenance post-completion.
- Willingness to own and operate the property, or clear transition plan if not.

Criteria	Weight (%)	Developer 1 Score (1-5)	Developer 1 Notes	Developer 1 Weighted Score	Developer 2 Score (1-5)	Developer 2 Notes	Developer 2 Weighted Score
Experience with Infill and Historic Downtown Projects	15						
Alignment with City's Strategic Vision	10						
Responsiveness to Housing Market Demand	15						
Design Quality and Compatibility	10						
Community and Economic Impact	10						
Financial Capacity and Risk Sharing	15						
Experience with Public Partnerships and Incentives	10						
Team Strength and Capacity	10						
Commitment to Long-Term Stewardship	5						
Total Weighted Score				0			0