



**HIBBING ECONOMIC DEVELOPMENT
AUTHORITY**
Regular Meeting
Monday, September 8, 2025
5:00 PM

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. ADDS AND DELETES:

III. APPROVAL OF THE AGENDA:

1. Delete VII. Department and Committee Reports: #1. a and 1. b and VIII. Loan Requests: #5
2. Add VII. Department and Committee Reports #1. f

IV. APPROVAL OF MINUTES:

1. Approve the Minutes of the Hibbing Economic Development Authority Meeting of August 11, 2025.

V. CONSENT AGENDA:

1. Approve disbursements for the month of August in the amount of \$382,650.00
 1. Fund 250 (HEDA ED/Rev Ln Fd) - \$0
 2. Fund 255 (HEDA General Fd) - \$3,531.38
 3. Fund 392 (TIF#12 DS Fd) - \$2,962.50
 4. Fund 418 (Downtown Capital Prjt Fd) - \$15,143.95
 5. Fund 440 (Tax Abatement Prjt Fd) - \$0
 6. Fund 422 (Deferred Loan Fund) - \$0
 7. Fund 610 (HEDA – 1111 7th Ave E) - \$361,012.17
2. Affirm Economic Development Loan Fund as of August 31, 2025 in the amount of \$1,400,123.22
3. Authorize HEDA members to attend the AMGS ribbon cutting/open house on Sept. 19, 2025 at 1122 E 13th Street, Hibbing, MN 55746.

VI. PRESENTATIONS:

1. IRM Deferred Loan Request for Crown Ballroom Improvements — Andrew Hanegmon
2. Hibbing Heating and AC Revolving and Deferred Loan Request - Shawn Blight
3. 1907 E 3rd Avenue Revolving and/or Deferred Loan Request - R. Lees
4. Hibbing Parents Nursery School Update - Pia Grozbach
5. AMGS Expansion Project Update - Patrick Gallagher, KA

VII. DEPARTMENT AND COMMITTEE REPORTS:

1. Community Development Director Betsy Olivanti

- a. ~~Approve the agreement with Widseth for professional services in the amount of \$8,800 (\$4,300 + \$4,500) for the Jefferson Redevelopment Project.~~
- b. ~~Approve the agreement with NTS for professional services in the amount of \$13,930 for the Jefferson Redevelopment Project.~~
- c. Approve first addendum to purchase agreement with JT Venture LLC for 1111 7th Ave. East, Hibbing, MN 55746
- d. Set the next regular HEDA meeting for October 14, 2025 at 5 p.m.
- e. Approve HPNS request for extension to end of October 2025.
- f. Approve the Jefferson School Redevelopment Project Site Readiness Phase and pertinent agreements as presented. Total site readiness project budget: \$85,000 (\$42,500 from DIRRR grant and \$42,500 from HEDA 255-46-6500-490)

2. Finance Director-Treasurer Sheena Mulner

- a. HEDA Loan Balances

3. City Attorney Andy Borland

VIII. LOAN REQUESTS:

1. IRM Deferred Loan Request for Crown Ballroom Improvements - B. Olivanti
2. Hibbing Heating and Air Conditioning Revolving Loan Request - B. Olivanti
3. Hibbing Heating and Air Conditioning Deferred Loan Request - B. Olivanti
4. 1907 3rd Ave Deferred Loan Request - B. Olivanti (pending requestor securing remaining project financing)
5. ~~1907 3rd Ave Revolving Loan Request - B. Olivanti~~

IX. DISCUSSION ITEMS:

1. 400 Block Redevelopment Project Update
2. AMGS Expansion Project Update
3. HEDA Meeting Schedule Review

X. ADJOURNMENT:

**THE MINUTES OF THE REGULAR AND WORKSHOP MEETING OF THE
HIBBING ECONOMIC DEVELOPMENT AUTHORITY
Monday, Aug. 11, 2025**

Meeting Information

- Location: Hibbing City Hall Council Chambers
- Attendees: Present at roll call, President Shari Majkich Brock, Vice President Steve Jurenes, Mayor Pete Hyduke, Member John Schweiberger, and Member Celia Cameron. Members Jennifer Hoffman Saccoman and Mike Egan were 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

Vice President Jurenes supported by Member Cameron moved to approve the minutes of the regular meeting of the Hibbing Economic Development Authority for July 29, 2025. Motion Carried.

CONSENT AGENDA

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

1. Approve disbursements for the month of July in the amount of \$1,057,187.37
 1. Fund 250 (HEDA ED/Rev Ln Fd) - \$0
 2. Fund 255 (HEDA General Fd) - \$73,619.76
 3. Fund 392 (TIF#12 DS Fd) - \$0
 4. Fund 418 (Downtown Capital Prjt Fd) - \$12,885.00
 5. Fund 440 (Tax Abatement Prjt Fd) - \$19,438.25
 6. Fund 422 (Deferred Loan Fund) - \$136,429.20
 7. Fund 610 (HEDA – 1111 7th Ave E) - \$884,815.16
2. Affirm Economic Development Loan Fund as of July 31, 2025, in the amount of \$1,493,447.20
3. Set the next regular HEDA meeting for Monday, September 8, 2025, at 5 p.m. in the Hibbing City Council Chambers.
4. Authorize HEDA Board members to attend the City Works Golf Scramble on Aug. 18, 2025, at the Hibbing Municipal Golf Course.

Presentations:

HFD 400 Block Training Exercise - Captain Jake Woinarowicz

Woinarowicz, the training officer for the Hibbing Fire Department, presented a plan for a training exercise in the 400-block buildings scheduled for demolition. He emphasized the importance of this opportunity for lifelike training for both career and pay-on-call members, as well as mutual aid partners from Chisholm and Virginia, to manage future risks and improve performance in fires.

Hibbing Area Chamber of Commerce E3 Program Plan Update - Eliot Dixon, BR&E Committee Member

Dixon, a board member with the Hibbing Chamber of Commerce and a committee member with the Business Retention and Extension (BR&E) Committee, noted the EDA's \$5,000 commitment from last year's budget and requested additional funding. The program, which received matching funds from the Main Street America Equitable Entrepreneurial Ecosystem Pilot Program in 2024, conducted a survey identifying two key needs: youth entrepreneurship education and marketing/technical assistance for area businesses. The BR&E Committee has developed two initiatives to address these needs. The first is the Hibbing High School Entrepreneurship Club, designed to serve 15 to 20 high school students. It will provide curriculum, facilitate monthly lunch meetings, and feature presentations from local business owners. This initiative aims to develop the next generation of entrepreneurs. The second is a marketing and artificial intelligence technical assistance program, coordinated with the Northland Small Business Development Center and chamber staff, offering services like website creation/redesign, social media strategy, Google Ads optimization, marketing strategy, event production, operational analysis for AI, custom solutions, and generative AI training for existing local businesses on a first-come, first-served basis.

Androy Ballroom Architectural Review Update - staff

An update was provided on the walkthrough of the Androy Ballroom's first floor, including kitchens, bathrooms, and bar space. An additional scope of review was identified to connect these spaces for potential dual events, increasing the architectural review cost from \$7,500 to \$12,500. IRRR staff have been contacted to amend the grant to include this additional cost, potentially allowing for a \$6,250 grant. It was clarified that Trellis, which focuses on housing renovation, cannot use its secured funds for the first-floor commercial spaces of the Androy Ballroom. The commercial tenant, Boomtown, may assist with finding funding and fundraising for the commercial renovation. Trellis is supportive of the project.

Neon Sign Rehabilitation: The neon sign for the Androy Ballroom is currently being rehabilitated by a vendor and is expected to be ready for the Spirit of the Unity parade. The intent is to turn it on at the Chamber event on November 24th, 2025, the Monday before Thanksgiving.

400 Block Redevelopment Project Update - staff

St. Louis County approached the city regarding the potential inclusion of the 507 East Howard Street building (Able Chiropractic) in the 400 block redevelopment project. This building, damaged in a 2016 fire, is beyond repair, and a structural report and a demolition estimate (around \$105,000) were completed.

Parking Needs for Redevelopment: A significant parking need has been identified in the 400 and 500 blocks by a parking study. The Androy is reviewing its need for additional parking for residential and commercial tenants. Additional parking is considered ideal for retail, commercial, and event spaces, especially if the first-floor ballroom is renovated for larger or dual events, as current parking is insufficient.

Development Agreement and Demolition Funding: Questions have been sent to Attorney Borland regarding drafting a development agreement for the conveyance of the 507 East Howard Street property from the county to the city. This agreement would include county funding assistance for demolition or environmental mitigation. Discussions are also needed with the adjacent landowner regarding the party wall and ownership transfer. The 507 East Howard Street property is part of the Tyler case, which has specific state statute requirements for conveyance or divestment. If not conveyed to the city for rehab or redevelopment, such properties must be put up for sale, but this particular building is not saleable.

Project Timeline and Risks: The goal is to avoid significant project delays past the end of 2025, with hopes for substantial progress by November. Hazardous material mitigation in the 400 block buildings will begin after the fire department training.

Hibbing Parents Nursery School Update - staff

The nursery school requested additional relocation funds and an extension of their lease through the end of September 2025. A code review with Widseth is expected to be finalized by the end of the week, which will determine any further renovations needed before contractors can begin work.

DEPARTMENT AND COMMITTEE REPORTS:

Community Development Director Betsy Olivanti

- a. Mayor Hyduke made the motion to approve, supported by Member Schweiberger, a \$6,695 service agreement with Miriam Kero Consulting for the North Hibbing Industrial Park Shovel Ready Grant. This agreement covers the compilation of quotes for various studies, including Boundary and Topo Survey, Phase 1 ESA, Geotech Barriers, Historical Review, Archaeological and Cultural Resources, threatened and endangered species, wetlands delineation codes, subdivision planning for an 8-to-9-acre site, and pre-design engineering for utility delivery (power, water, sewers, sanitary, broadband, and steam). The cost will be covered by the EDA's special project fund. Motion carried.
- b. Member Schweiberger made the motion to adopt, supported by Vice President Jurenes, RES-25-08-07 AUTHORIZING THE HIBBING ECONOMIC DEVELOPMENT AUTHORITY TO MAKE AN APPLICATION TO AND ACCEPT FUNDS FROM THE DEPARTMENT OF IRON RANGE RESOURCES AND REHABILITATION for the North Hibbing Industrial Site. Motion carried.
- c. Mayor Hyduke made the motion to adopt, supported by Member Cameron, RES-25-08-08 AUTHORIZING SUBMISSION OF A COMMERCIAL REDEVELOPMENT GRANT APPLICATION TO THE DEPT. OF IRRR FOR 402 EAST HOWARD STREET. Motion carried.

- d. Vice President Jurenes made the motion to approve, supported by Member Cameron, the Hibbing Chamber of Commerce Request for support of E3 program in the amount of \$5,000. Motion carried.
- e. Mayor Hyduke made the motion to approve, supported by Member Cameron, the amended scope for Androy Ballroom Architectural Review with Widseth. This increases the EDA's contribution from the original \$3,750 to up to \$8,750, depending on whether additional IRRR funding of \$6,250 can be secured. Motion carried.
- f. Member Cameron made the motion to approve, supported by Mayor Hyduke, the request for bids for the 400 Block Redevelopment demolition, including a bid alternate for 507 E Howard Street, Hibbing, MN in collaboration with St. Louis County. The bid structure will allow for proposals to do all demolitions, including 507, or only the 400 block portion, with 507 as a separate alternate, to assess cost differences. The preference is for one contractor to handle all demolitions. Motion carried.
- g. Mayor Hyduke made the motion to adopt, supported by Vice President Jurenes, RES-25-08-09 APPROVING A PRELIMINARY DEVELOPMENT AGREEMENT with Rebound Partners, LLC for the 400 Block Redevelopment Project. Motion carried.
- h. Member Schweiberger made the motion to approve, supported by Member Cameron, the lease extension and additional uniform relocation costs requested by Hibbing Parents Nursery School. Motion carried.

Finance Director-Treasurer Sheena Mulner

a. HEDA loans

The Treasurer's report on loan balances as of August 11, 2025, indicated that a majority of loans are current. Updates included ongoing phone calls regarding consigned items at Arrowhead Motorcycle, Andy's office working on Moxie's delinquent loan, Iron Range Management having drawn \$25,000 on an interest-only loan with new loan documents for just over \$50,000 pending, Mike's Pub utilities still not current but making payments, and Sunrise Bakery and Howard Park Properties having drawn the full amounts on their deferred loans. Revolving fund balances were reported as: Fund 250 with \$1,193,671.84 cash on hand (\$119,3139 committed, balance over \$1,000,000 without the new \$50,000 loan), Fund 420 (storefront renovation) with approximately \$215,000, and the deferred loan program with about \$87,000 remaining.

b. 2024 TIF #12 Reports

A report on TIF District 12 (for the Hampton Hotel redevelopment) noted that annual reports to the Office of the State Auditor (due August 1) were completed by Ehlers, and the summary report would be published in the newspaper on August 13. The TIF plans were approved in 2012, with the first tax increment received in 2015. \$830,000 in TIF bonds were issued, with a required decertification date of December 1, 2040, and a final bond maturity date of February 1, 2036. Concerns were raised that administrative costs were trending high at 16.4% (above the 10% statutory limit), but projections show it will be under 10% (around 9.6%) by the end of the district's period, with approximately \$78,000 received annually in TIF.

c. Business Subsidy Update

An update was provided on catching up with business subsidy reporting to DEED. The DEED portal login was created, and the AMGS business subsidy agreement was approved, with all goals reported as met. The Midwest Partners/Red Rock Hotel and Suites project was added to the portal, but reporting is not due until April 2026, as they have two years to meet job creation criteria. Iron Range Management's business subsidy agreement will be executed and submitted to the DEED portal for approval.

- **City Attorney Andy Borland**

Borland provided updates:

- MOXIE's loan balance was correct, and once served, a 20-day schedule would be set.
- For T&B Automotive, a registered land survey was conducted to verify the proper legal description for the land they are acquiring from PETA, as they are operating outside their purchased scope. The plan is to record the survey, then a deed matching the new legal description, ensuring correct land transfer. A restriction will be placed on the deed, stating that if the business is sold within five years, the property (roughly one to two acres) reverts back to the EDA, as per economic loan authority requirements.

VIII. ADJOURNMENT:

Adjournment

There being no further items on the agenda, a motion to adjourn was made by Mayor Hyduke and supported by Member Schweiberger. Motion carried and the meeting was adjourned at 5:31 p.m.

President Shari Majkich Brock

Community Dev. Dir. Betsy Olivanti

VENDOR SET: 01 City Of Hibbing
BANK: * ALL BANKS
DATE RANGE: 8/01/2025 THRU 8/31/2025

VENDOR I.D.	NAME	STATUS	CHECK DATE	AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
C-CHECK	VOID CHECK	V	8/28/2025			180877		

* * T O T A L S * *	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
REGULAR CHECKS:	0	0.00	0.00	0.00
HAND CHECKS:	0	0.00	0.00	0.00
DRAFTS:	0	0.00	0.00	0.00
EFT:	0	0.00	0.00	0.00
NON CHECKS:	0	0.00	0.00	0.00
VOID CHECKS:	1	VOID DEBITS 0.00		
		VOID CREDITS 0.00	0.00	0.00

TOTAL ERRORS: 0

VENDOR SET: 01 BANK:	TOTALS:	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
		1	0.00	0.00	0.00
BANK:	TOTALS:	1	0.00	0.00	0.00

VENDOR I.D.	NAME	STATUS	CHECK DATE	AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
001744	BARR ENGINEERING 2							
I-23692840.00-16	AMGS NEW BLDG ELECTRICAL	R	8/14/2025			180719		
610 46-6500-520	BLDG IMPROVEMENTS	AMGS NEW BLDG ELECTR		3,202.50				
I-23692863.00-14	AMGS CONSTR SUPPT SVCS	R	8/14/2025			180719		
610 46-6500-300	PROFESSIONAL FEES	AMGS CONSTR SUPPT SV		2,313.00				5,515.50
005673	KRAUS-ANDERSON CONSTRUCTION CO							
I-72138	PAY APP #12 CONST & CMR	R	8/14/2025			180766		
610 46-6500-520	BLDG IMPROVEMENTS	PAY APP #12 CONST &		7,672.00				
610 46-6500-520	BLDG IMPROVEMENTS	PAY APP #12 CONST &		344,229.09				351,901.09
002965	MIRIAM KERO CONSULTING							
I-HIB20 DEED	GRANT WR/REDEV ASSIST/JEFFER	R	8/14/2025			180787		
255 46-6500-300	HEDA-PROFESSIONAL FEES	GRANT WR/REDEV ASSIS		965.63				965.63
000414	NTS							
I-INV5224	PRE DEMO INSP/402 E HOWARD ST	R	8/14/2025			180793		
418 46-6500-300	PROFESSIONAL FEES	PRE DEMO INSP/402 E		10,898.95				10,898.95
004979	SELLMAN BORLAND & SIMON PLLC							
I-JULY 25 HEDA COSTS	JULY 2025 HEDA COSTS	R	8/14/2025			180809		
255 46-6500-300	HEDA-PROFESSIONAL FEES	JULY 2025 HEDA COSTS		183.80				
I-JULY 25 HEDA LEGAL	JULY 2025 HEDA LEGAL SVCS	R	8/14/2025			180809		
255 46-6500-300	HEDA-PROFESSIONAL FEES	JULY 2025 HEDA LEGAL		1,960.00				2,143.80
000918	VISA - PARK STATE BANK (FORMER							
I-8089 JULY 25	ACT 8089 JULY 25	R	8/14/2025			180824		
255 46-6500-300	HEDA-PROFESSIONAL FEES	ACT 8089 JULY 25		39.95				
101 41-1510-300	PROFESSIONAL SERVICES	ACT 8089 JULY 25		41.72				
101 43-3010-300	PROFESSIONAL SERVICES	ACT 8089 JULY 25		206.96				
101 45-5150-300	PROFESSIONAL SERVICE	ACT 8089 JULY 25		206.96				495.59
005694	EHLERS							
I-102429	TIF REPORTING - 2024 REPORTS	R	8/28/2025			180853		
392 46-6500-300	TIF #12 DS FD-ECO DEV PROF SVCTIF REPORTING - 2024			2,962.50				2,962.50
002687	LHB INC							
I-250159.00-2	HOWARD ST BLK 400 DEMO 7/25/25	R	8/28/2025			180881		
418 46-6500-300	PROFESSIONAL FEES	HOWARD ST BLK 400 DE		4,245.00				4,245.00
000206	PUBLIC UTILITIES COMM							
I-7/1/25-7/31/25	7/1/25-7/31/25 UTILITIES PMT	R	8/28/2025			180907		
612 46-6500-380	UTILITIES	7/1/25-7/31/25 UTILI		353.81				
610 46-6500-380	UTILITIES	7/1/25-7/31/25 UTILI		3,595.58				
101 41-1940-380	PUBLIC UTILITY SERVICES	7/1/25-7/31/25 UTILI		2,060.44				
101 42-2210-380	FIRE DEPT-UTILITIES	7/1/25-7/31/25 UTILI		2,761.98				
101 42-2211-380	PD ON CALL UTILITIES	7/1/25-7/31/25 UTILI		387.74				
101 42-2214-380	EMERG PREPARED-UTILITIES	7/1/25-7/31/25 UTILI		145.56				

VENDOR I.D.	NAME	STATUS	CHECK DATE	AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
000206	PUBLIC UTILITIES COMM CONT							
I-7/1/25-7/31/25	7/1/25-7/31/25 UTILITIES PMT	R	8/28/2025			180907		
101 42-2101-380	AN SHLTR - UTILITIES		7/1/25-7/31/25 UTILI	224.13				
101 43-3160-380	STREET LIGHTING UTILITIES		7/1/25-7/31/25 UTILI	2,003.54				
101 43-3170-380	GARAGE #1- UTILITIES		7/1/25-7/31/25 UTILI	9,182.40				
101 45-5150-380	UTILITIES		7/1/25-7/31/25 UTILI	5,126.77				
101 49-9010-380	CEMETERY-UTILITIES		7/1/25-7/31/25 UTILI	364.81				
211 45-5501-380	LIBRARY-UTILITIES		7/1/25-7/31/25 UTILI	5,689.14				
602 43-3259-380	WCS-UTILITIES		7/1/25-7/31/25 UTILI	1,200.27				
603 43-3240-380	RECYC CTR-UTILITIES		7/1/25-7/31/25 UTILI	98.52				
602 43-3257-380	SWTP-UTILITIES		7/1/25-7/31/25 UTILI	2,407.36				
603 43-3230-380	SANITATION-UTILITIES		7/1/25-7/31/25 UTILI	499.79				
101 45-5101-380	UTILITIES		7/1/25-7/31/25 UTILI	5,625.92				
101 45-5250-380	UTILITIES		7/1/25-7/31/25 UTILI	205.54				
101 45-5102-380	UTILITIES		7/1/25-7/31/25 UTILI	1,249.58				
101 45-5200-380	UTILITIES		7/1/25-7/31/25 UTILI	477.75				43,660.63
005713	WSB LLC							
I-R-027955-000-7	DAYCARE/ROW/PROF SVCS 7/31/25	R	8/28/2025			180930		
255 46-6500-300	HEDA-PROFESSIONAL FEES		DAYCARE/ROW/PROF SVC	382.00				382.00

* * T O T A L S * *	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
REGULAR CHECKS:	10	423,170.69	0.00	423,170.69
HAND CHECKS:	0	0.00	0.00	0.00
DRAFTS:	0	0.00	0.00	0.00
EFT:	0	0.00	0.00	0.00
NON CHECKS:	0	0.00	0.00	0.00
VOID CHECKS:	0 VOID DEBITS	0.00		
	VOID CREDITS	0.00	0.00	0.00

TOTAL ERRORS: 0

** G/L ACCOUNT TOTALS **

G/L ACCOUNT	NAME	AMOUNT
101 41-1510-300	PROFESSIONAL SERVICES	41.72
101 41-1940-380	PUBLIC UTILITY SERVICES	2,060.44
101 42-2101-380	AN SHLTR - UTILITIES	224.13
101 42-2210-380	FIRE DEPT-UTILITIES	2,761.98
101 42-2211-380	PD ON CALL UTILITIES	387.74
101 42-2214-380	EMERG PREPARED-UTILITIES	145.56
101 43-3010-300	PROFESSIONAL SERVICES	206.96
101 43-3160-380	STREET LIGHTING UTILITIES	2,003.54

VENDOR SET: 01 City Of Hibbing
 BANK: APBNK US BANK
 DATE RANGE: 8/01/2025 THRU 8/31/2025

** G/L ACCOUNT TOTALS **

G/L ACCOUNT	NAME	AMOUNT
101 43-3170-380	GARAGE #1- UTILITIES	9,182.40
101 45-5101-380	UTILITIES	5,625.92
101 45-5102-380	UTILITIES	1,249.58
101 45-5150-300	PROFESSIONAL SERVICE	206.96
101 45-5150-380	UTILITIES	5,126.77
101 45-5200-380	UTILITIES	477.75
101 45-5250-380	UTILITIES	205.54
101 49-9010-380	CEMETERY-UTILITIES	364.81
	*** FUND TOTAL ***	30,271.80
211 45-5501-380	LIBRARY-UTILITIES	5,689.14
	*** FUND TOTAL ***	5,689.14
255 46-6500-300	HEDA-PROFESSIONAL FEES	3,531.38
	*** FUND TOTAL ***	3,531.38
392 46-6500-300	TIF #12 DS FD-ECO DEV PROF SVC	2,962.50
	*** FUND TOTAL ***	2,962.50
418 46-6500-300	PROFESSIONAL FEES	15,143.95
	*** FUND TOTAL ***	15,143.95
602 43-3257-380	SWTP-UTILITIES	2,407.36
602 43-3259-380	WCS-UTILITIES	1,200.27
	*** FUND TOTAL ***	3,607.63
603 43-3230-380	SANITATION-UTILITIES	499.79
603 43-3240-380	RECYC CTR-UTILITIES	98.52
	*** FUND TOTAL ***	598.31
610 46-6500-300	PROFESSIONAL FEES	2,313.00
610 46-6500-380	UTILITIES	3,595.58
610 46-6500-520	BLDG IMPROVEMENTS	355,103.59
	*** FUND TOTAL ***	361,012.17
612 46-6500-380	UTILITIES	353.81
	*** FUND TOTAL ***	353.81

	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
VENDOR SET: 01 BANK: APBNK TOTALS:	10	423,170.69	0.00	423,170.69
BANK: APBNK TOTALS:	10	423,170.69	0.00	423,170.69
REPORT TOTALS:	10	423,170.69	0.00	423,170.69

SELECTION CRITERIA

VENDOR SET: 01-CITY OF HIBBING
 VENDOR: ALL
 BANK CODES: Include: APBNK
 FUNDS: Include: 221, 250, 255, 392, 417, 418, 420, 422, 440, 610

CHECK SELECTION

CHECK RANGE: 000000 THRU 999999
 DATE RANGE: 8/01/2025 THRU 8/31/2025
 CHECK AMOUNT RANGE: 0.00 THRU 999,999,999.99
 INCLUDE ALL VOIDS: YES

PRINT OPTIONS

SEQUENCE: CHECK NUMBER

PRINT TRANSACTIONS: YES
 PRINT G/L: YES
 UNPOSTED ONLY: NO
 EXCLUDE UNPOSTED: NO
 MANUAL ONLY: NO
 STUB COMMENTS: NO
 REPORT FOOTER: NO
 CHECK STATUS: NO
 PRINT STATUS: * - All

YOU ARE INVITED TO A RIBBON CUTTING CEREMONY

*Join us to celebrate the launch of the
new manufacturing location of
Advanced Machine Guarding Solutions*

11:30 A.M. FRIDAY, SEPT. 19TH

1122 E. 13th St, Hibbing



HIBBING ECONOMIC DEVELOPMENT AUTHORITY (HEDA)

Hibbing Redevelopment Deferred Loan Program Application

The City of Hibbing and the Hibbing Economic Development Authority will provide assistance to eligible applicants for the rehabilitation of commercial properties located within the targeted area of the City of Hibbing. In order to be eligible for this program, the property must be: 1. Located within the targeted area **established by** the Hibbing Economic Development Authority; 2. In compliance with applicable zoning ordinances or land use guidelines; and 3. The property taxes and/or utilities must not be delinquent. Please review our *CITY OF HIBBING REDEVELOPMENT PROGRAM & POLICY HANDBOOK* for more information. Please note: Applications will be processed on a first come, first serve basis.

APPLICANT INFORMATION

NAME OF APPLICANT Iron Range Makerspace LLC		APPLICANT MAILING ADDRESS 704 West 41st Street Hibbing MN 55746	
EMPLOYER ID NUMBER (EIN) OR SOCIAL SECURITY NUMBER 81-2511833		APPLICANT IS <input checked="" type="checkbox"/> OWNER <input type="checkbox"/> TENANT <input type="checkbox"/> OTHER	
OFFICE/BUSINESS PHONE NUMBER 218-966-1192	HOME PHONE NUMBER	CELL PHONE NUMBER	
CONTACT PERSON NAME & ADDRESS Andrew Hanegmon 3431 19th Ave E Hibbing MN 55746			CONTACT PERSON PHONE NUMBER 218-966-1192

PROPERTY INFORMATION

BUSINESS/PROPERTY NAME Iron Range Makerspace LLC, downtown property			
BUSINESS/PROPERTY STREET ADDRESS: 214 East Howard Street Hibbing MN 55746			
BUSINESS/PROPERTY MAILING ADDRESS (if different): 704 West 41st Street Hibbing MN 55746			
LEGAL DESCRIPTION OF PROPERTY: Parcel ID: 140-0070-01940			
BUSINESS PHONE 218-966-1192		CELL PHONE:	EMAIL: ironrangemakerspace@gmail.com
BUSINESS COUNTY St Louis	DATE BUSINESS FORMED: 12/28/2015	EST. AGE OF BUILDING: 100 years	ESTIMATED MARKET VALUE: 281,900
NAICS CODE 541990	DUNNS NUMBER	NUMBER OF STORIES: 4	CURRENT PROPERTY TAX AMOUNT: 9260
GENERAL DESCRIPTION OF BUILDING Houses 7 seperate businesses currently including The Do You LLC Night Club.			
DESCRIBE CURRENT AND PROPOSED BUILDING USE (Be specific, what are the products or services of this business, where does it do business, who is the ideal customer?) Commerical rental to various businesses and nonprofits. Proposed use is elevator access to all floors			

(For more space, please attach additional page entitled "Business Use")

IS BUILDING IN A HISTORIC DISTRICT? <input type="checkbox"/> YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> UNKNOWN	IS BUILDING ON NATIONAL HISTORIC REGISTER? <input type="checkbox"/> YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> UNKNOWN	IS BUILDING IN A FLOODPLAIN? <input type="checkbox"/> YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> UNKNOWN
CURRENT ZONING CLASSIFICATION OF PROPERTY: Commerical	HAVE YOU RECEIVED A VARIANCE OR CONDITIONAL USE PERMIT? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO If Yes, When & For What?	

<p>PLEASE ATTACHED THE FOLLOWING REQUIRED DOCUMENTATION TO YOUR APPLICATON</p> <ul style="list-style-type: none"> • <i>PROOF OF OWNERSHIP</i> (For Example: Copy of your Deed or Certificate of Title) • <i>PROOF THAT BUSINESS PROPERTY TAXES and UTILITIES ARE PAID AND CURRENT</i> (Current Property Tax Statement and Utility Statement) • <i>PROOF OF INSURANCE</i> (Copy of Policy or Declarations Page) • <i>CONFIRMATION LETTER FROM YOUR BANKING INSTITUTION WHICH STATES YOU HAVE THE ABILITY TO OBTAIN THE 10% PRIVATE MATCH REQUIREMENT.</i> • <i>SOURCES and USES FOR THE TOTAL PROJECT COSTS</i>
--

Please return completed applications with all documentation in sealed envelope to:
Hibbing Economic Development Authority, 401 21st Street East, Hibbing MN 55792

OWNERSHIP INFORMATION

OWNERSHIP INTEREST IN PROPERTY TO BE IMPROVED:				
<input type="checkbox"/> OWN	<input checked="" type="checkbox"/> OWN WITH MORTGAGE	<input type="checkbox"/> CONTRACT FOR DEED	<input type="checkbox"/> LEASE	OTHER:
MORTGAGE HOLDER NAME National Bank of Commerce		DATE OF MORTGAGE: June 7, 2022	OUTSTANDING BALANCE: \$252,581	
PLEASE LIST ALL NAMES ON PROPERTY TITLE		OWNERSHIP INTEREST		
1. Andrew Hanegmon		100%		
2.				
3.				
4.				

PROJECT REQUEST INFORMATION

PROPOSED IMPROVEMENTS INCLUDE:

Exterior Signage Awnings Mechanical Architectural Services Interior

Other, Please Explain

DESCRIBE PROPOSED IMPROVEMENTS (be specific, for more space please attach additional page entitled "Purpose of Loan")

Conversion of original elevator into a Material Handling Lift by Larson Elevator Company

ESTIMATED TOTAL COSTS OF PROPOSED REHABILITATION WORK \$18,600.00

REQUESTED DEFERRED LOAN AMOUNT: 6,138

Sources and Uses
Rest will come from DBR
or from Line of Credit

MATCHING AMOUNT: 6,138

OWNERSHIP INTEREST IN PROPERTY TO BE IMPROVED (How will matching amount be funded?)

Personal Savings Mortgage Private Loan OTHER: Line of Credit

Financial Application - Tennesen Warning Notice

Some data related to your application may be classified as private under Minnesota Statute 13.599. In order to collect and use this data, we must tell you why we need the data, how we intend to use it, and any consequences you may experience if you do or do not supply the information.

HOW WE INTEND TO USE THE DATA: The information you submit in connection with your application will be used to evaluate your application and, if you are selected for funding, to announce your award. A Minnesota law prohibits state agencies from announcing financing awards before agreement negotiations are complete. If you are selected for funding, this document will allow HEDA to announce your award on a preliminary basis while those negotiations are still pending. Selected participants will be notified before any announcements are made. Announcements typically include information such as a project description, the award amount, and the anticipated impact of grant/loan funding. We may also include information from our evaluation process, including scores and ranks (if applicable). We will never publicize your business plans, customer lists, income tax returns, design / market / feasibility studies, income and expense reports, or any other data classified as private or nonpublic under Minn. Stat.

13.591. Application data submitted by organizations that are not selected for funding will only be released upon request and as required by Minn. Stat. Chapter 13 or other applicable state/federal law. Application or evaluation data may also be shared with any entity that has a legal right to the data under Minnesota or federal law, including under court order.

CONSEQUENCES TO YOU: You can refuse to supply any or all of the requested information, which you are not legally required to provide. However, if the information is not provided we may not be able to make an informed decision on your application and thus will be required to deny the application.

FOR MORE INFORMATION: City of Hibbing Data Practices Compliance Official-Britt See-Benes, City Administrator (218) 748-7500; Minnesota Data Practices Act - www.revisor.leg.state.mn.us/stats/13/ or Minnesota Department of Administration, Information Policy Analysis Division (IPAD) - www.ipad.state.mn.us/index.html

APPLICANTS INITIAL THAT YOU HAVE READ THIS SECTION AH

I/we certify that all statements on this application are true and correct to the best of my/our knowledge. I/we understand that any intentional misstatements will be grounds for disqualification. I authorize program representatives the right to access the property to be improved for the purpose of inspecting or obtaining information for the rehabilitation loan program.



Applicant Signature

Andrew Hanegmon

Printed Name

8/20/25

Date

Please return completed applications with all documentation in sealed envelope to:
Hibbing Economic Development Authority, 401 21st Street East, Hibbing MN 55792

Larson Elevator Company
PO Box 676
Grand Rapids, MN 55744
218-256-9030



Repair Order – Convert to material lift

Date : 8-18-2025

To:
Andrew

Location:
214 E Howard St
Hibbing, Mn 55746

From:
Larson Elevator Company
PO Box 676
Grand Rapids, MN 55792

Proposal #: 81825D
Dave Grannis
Phone: 218-608-0461
Email: dave@larsonlevator.com

Elevator ID: 1

Scope: Larson Elevator Company will supply the necessary labor and materials to:

Convert the existing freight elevator into a material lift, connect all door interlocks to work, remove car station, go through equipment up and down the hoistway. Perform five year full load test. Permit included

Price : \$18,600.00 (Eighteen thousand six hundred twelve and 00/100 dollars)

This price is based on a fifty percent (50%) down payment in the amount of \$9,300.00

Customer

Approved by authorized representative

Date: _____

Signed: _____

Printed Name: _____

Title: _____

Company: _____

Larson Elevator Company

Approved by authorized representative

Date: _____

Signed: _____

Printed Name: Anthony Larson

Title: President

Terms and Conditions

This proposal is conditioned on mutually agreeable terms and conditions with neither party liable for consequential damages.

We reserve the right to change or withdraw this proposal prior to acceptance by you.

Unless indicated otherwise, the work shall be completed during regular working hours of the elevator trade. If overtime is requested and mutually agreed to, an additional charge at our usual rates shall be added to the contract price.

Warranty

Our warranty only covers defective material and workmanship for a period of ninety (90) days after completion of the work, unless modified in the scope of work. Replacement necessitated by ordinary wear and tear, vandalism, misuse, abuse, or improper use shall not be covered. This express warranty is exclusive and in lieu of all warranties, express or implied.

Indemnity

Neither party shall be liable for any loss, damage or delay to any cause beyond either party's reasonable control, including but not limited to acts of government, strikes, lockouts, other labor disputes, theft, weather, natural or man-made disaster, civil commotion, mischief or act of God.

Pre-Lien Notice

(a) Any person or company supplying labor or materials for this improvement to your property may file a lien against your property if that person or company is not paid for the contributions.

(b) Under Minnesota law, you have the right to pay persons who supplied labor or materials for this improvement directly and deduct this amount from our contract price, or withhold the amounts due them from us until 120 days after completion of the improvement unless we give you a lien waiver signed by persons who supplied any labor or material for the improvement and who gave you timely notice.

“AS REQUIRED, CLAIMANT HEREBY NOTIFIES OWNER THAT PERSONS OR COMPANIES PERFORMING, FURNISHING, OR PROCURING LABOR, MATERIALS, PLANS OR SPECIFICATIONS FOR THE CONSTRUCTION ON OWNER'S LAND MAY HAVE LIEN RIGHTS ON OWNER'S LAND AND BUILDINGS IF NOT PAID. THOSE ENTITLED TO LIEN RIGHTS, IN ADDITION TO THE UNDERSIGNED CLAIMANT, ARE THOSE WHO CONTRACT DIRECTLY WITH THE OWNER OR THOSE WHO GIVE THE OWNER NOTICE WITHIN 60 DAYS AFTER THEY FIRST PERFORM, FURNISH, OR PROCURE LABOR, SERVICES, MATERIALS, PLANS OR SPECIFICATIONS FOR THE CONSTRUCTION. ACCORDINGLY, OWNER PROBABLY WILL RECEIVE NOTICES FROM THOSE WHO PERFORM, FURNISH, OR PROCURE LABOR, SERVICES, MATERIALS, PLANS OR SPECIFICATIONS FOR THE CONSTRUCTION, AND SHOULD GIVE A COPY OF EACH NOTICE RECEIVED TO THE MORTGAGE LENDER, IF ANY. CLAIMANT AGREES TO COOPERATE WITH THE OWNER AND THE OWNER'S LENDER, IF ANY, TO SEE THAT ALL POTENTIAL LIEN CLAIMANTS ARE DULY PAID.”



Hibbing Economic Development Authority IRM/Crown Ballroom Deferred Loan Write Up

Eligibility within the framework of the deferred loan fund guidelines: investment in building renovations to enhance the lifespan, to assist eligible business owners for the rehabilitation of commercial properties located in the City designated Focus District or commercial corridors.

Overall economic benefits of the proposed project: Will make some much-needed improvements to an iconic Howard Street building to enhance its lifespan and ensure accessibility.

Balance sheet and ratio analysis and determination of adequate capital and equity: Borrower has secured the necessary funding for this project from their own equity and an AEOA DBR Grant. This building is a vibrant and welcome fixture on Howard Street.

Analysis of repayment ability: N/A for this funding.

Management skill of the applicant: Borrower is the current owner of this location and is well suited to see this project through to completion. This building has been a long-standing fixture on Howard Street and is in need of this critical renovation.

Collateral offered and lien position: will be secured on the property, behind all other lenders

Staff Recommended Loan Terms: Deferred Loans will be secured with a Repayment Agreement with the following terms and conditions:

- A. A Deferred Loan will be 100% forgiven on the first day of the sixth year after loan execution, provided: the requirements for jobs creation/retention and building improvements have been met, the location's property taxes are current, and the location's utility bill is current at the time forgiveness is requested.
- B. If the property is sold or title transferred before the end of fifth year, the required amount of prorated loan funds must be repaid to the Hibbing Economic Development Authority at the time of closing, or, application to assume the deferred loan must be received from the new owner prior to the time of closing and approved by the HEDA Board
- C. All other funding has been secured

Listed as an additional insured on the business insurance policy.

HIBBING ECONOMIC DEVELOPMENT AUTHORITY (HEDA)

Hibbing Redevelopment Deferred Loan Program Application

The City of Hibbing and the Hibbing Economic Development Authority will provide assistance to eligible applicants for the rehabilitation of commercial properties located within the targeted area of the City of Hibbing. In order to be eligible for this program, the property must be: 1. Located within the targeted area established by the Hibbing Economic Development Authority; 2. In compliance with applicable zoning ordinances or land use guidelines; and 3. The property taxes and/or utilities must not be delinquent. Please review our CITY OF HIBBING REDEVELOPMENT PROGRAM & POLICY HANDBOOK for more information. Please note: Applications will be processed on a first come, first serve basis.

APPLICANT INFORMATION

NAME OF APPLICANT <i>Hibbing Heating & A/C, Inc.</i>		APPLICANT MAILING ADDRESS <i>2519 1st Ave, Hibbing, MN 55746</i>	
EMPLOYER ID NUMBER (EIN) OR SOCIAL SECURITY NUMBER <i>46-4392911</i>		APPLICANT IS <input checked="" type="checkbox"/> OWNER <input type="checkbox"/> TENANT <input type="checkbox"/> OTHER	
OFFICE/BUSINESS PHONE NUMBER <i>218-263-8133</i>	HOME PHONE NUMBER	CELL PHONE NUMBER <i>218-969-2028</i>	
CONTACT PERSON NAME & ADDRESS <i>Shawn Blight, 2519 1st Ave, Hibbing, MN</i>			CONTACT PERSON PHONE NUMBER <i>218-969-2028</i>

PROPERTY INFORMATION

BUSINESS/PROPERTY NAME <i>Hibbing Heating & A/C, Inc.</i>			
BUSINESS/PROPERTY STREET ADDRESS: <i>2519 1st Ave, Hibbing, MN 55746</i>			
BUSINESS/PROPERTY MAILING ADDRESS (if different):			
LEGAL DESCRIPTION OF PROPERTY:			
BUSINESS PHONE <i>218-263-8133</i>	CELL PHONE: <i>218-969-2028</i>	EMAIL: <i>crystal@hibbingheatingac.com</i>	
BUSINESS COUNTY <i>St. Louis</i>	DATE BUSINESS FORMED: <i>01/01/2014</i>	EST. AGE OF BUILDING:	ESTIMATED MARKET VALUE: <i>125,800</i>
NAICS CODE	DUNNS NUMBER	NUMBER OF STORIES: <i>1</i>	CURRENT PROPERTY TAX AMOUNT: <i>2992 -</i>
GENERAL DESCRIPTION OF BUILDING <i>Shop & Offices</i>			
DESCRIBE CURRENT AND PROPOSED BUILDING USE (Be specific, what are the products or services of this business, where does it do business, who is the ideal customer?) <i>HVAC & Drain Cleaning Business</i>			

(For more space, please attach additional page entitled "Business Use")

IS BUILDING IN A HISTORIC DISTRICT? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> UNKNOWN	IS BUILDING ON NATIONAL HISTORIC REGISTER? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> UNKNOWN	IS BUILDING IN A FLOODPLAIN? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> UNKNOWN
CURRENT ZONING CLASSIFICATION OF PROPERTY: <i>Commercial</i>	HAVE YOU RECEIVED A VARIANCE OR CONDITIONAL USE PERMIT? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO If Yes, When & For What?	
PLEASE ATTACHED THE FOLLOWING REQUIRED DOCUMENTATION TO YOUR APPLICATION		
<ul style="list-style-type: none"> • PROOF OF OWNERSHIP (For Example: Copy of your Deed or Certificate of Title) • PROOF THAT BUSINESS PROPERTY TAXES and UTILITIES ARE PAID AND CURRENT (Current Property Tax Statement and Utility Statement) • PROOF OF INSURANCE (Copy of Policy or Declarations Page) • CONFIRMATION LETTER FROM YOUR BANKING INSTITUTION WHICH STATES YOU HAVE THE ABILITY TO OBTAIN THE 10% PRIVATE MATCH REQUIREMENT. • SOURCES and USES FOR THE TOTAL PROJECT COSTS 		

Please return completed applications with all documentation in sealed envelope to:
Hibbing Economic Development Authority, 401 21st Street East, Hibbing MN 55792

OWNERSHIP INFORMATION

OWNERSHIP INTEREST IN ROPEY TO BE IMPROVED:				
<input checked="" type="checkbox"/> OWN	<input type="checkbox"/> OWN WITH MORTGAGE	<input type="checkbox"/> CONTRACT FOR DEED	<input type="checkbox"/> LEASE	OTHER:
MORTGAGE HOLDER NAME			DATE OF MORTGAGE:	OUTSTANDING BALANCE:
PLEASE LIST ALL NAMES ON PROPERTY TITLE			OWNERSHIP INTEREST	
1. SCB Properties LLC			100	
2.				
3.				
4.				

PROJECT REQUEST INFORMATION

PROPOSED IMPROVEMENTS INCLUDE:

Exterior Signage Awnings Mechanical Architectural Services Interior

DESCRIBE PROPOSED IMPROVEMENTS (be specific, for more space please attach additional page entitled "Purpose of Loan") Other, Please Explain

New roof

ESTIMATED TOTAL COSTS OF PROPOSED REHABILITATION WORK \$: 135,588.00

REQUESTED DEFFERED LOAN AMOUNT: \$ 45,191.48

MATCHING AMOUNT: \$ 90,396.52

OWNERSHIP INTEREST IN PROPERTY TO BE IMPROVED (How will matching amount be funded?)

Personal Savings Mortgage Private Loan OTHER: BER Grant

Financial Application - Tennesen Warning Notice

Some data related to your application may be classified as private under Minnesota Statute 13.599. In order to collect and use this data, we must tell you why we need the data, how we intend to use it, and any consequences you may experience if you do or do not supply the information.

HOW WE INTEND TO USE THE DATA: The information you submit in connection with your application will be used to evaluate your application and, if you are selected for funding, to announce your award. A Minnesota law prohibits state agencies from announcing financing awards before agreement negotiations are complete. If you are selected for funding, this document will allow HEDA to announce your award on a preliminary basis while those negotiations are still pending. Selected participants will be notified before any announcements are made. Announcements typically include information such as a project description, the award amount, and the anticipated impact of grant/loan funding. We may also include information from our evaluation process, including scores and ranks (if applicable). We will never publicize your business plans, customer lists, income tax returns, design / market / feasibility studies, income and expense reports, or any other data classified as private or nonpublic under Minn. Stat. 13.591. Application data submitted by organizations that are not selected for funding will only be released upon request and as required by Minn. Stat. Chapter 13 or other applicable state/federal law. Application or evaluation data may also be shared with any entity that has a legal right to the data under Minnesota or federal law, including under court order.

CONSEQUENCES TO YOU: You can refuse to supply any or all of the requested information, which you are not legally required to provide. However, if the information is not provided we may not be able to make an informed decision on your application and thus will be required to deny the application.

FOR MORE INFORMATION: City of Hibbing Data Practices Compliance Official-Britt See-Benes, City Administrator (218) 748-7500; Minnesota Data Practices Act - www.revisor.leg.state.mn.us/stats/13/ or Minnesota Department of Administration, Information Policy Analysis Division (IPAD) - www.ipad.state.mn.us/index.html

APPLICANTS INITIAL THAT YOU HAVE READ THIS SECTION JS

I/we certify that all statements on this application are true and correct to the best of my/our knowledge. I/we understand that any intentional misstatements will be grounds for disqualification. I authorize program representatives the right to access the property to be improved for the purpose of inspecting or obtaining information for the rehabilitation loan program.

Shawn Blight
Applicant Signature

Shawn Blight
Printed Name

5/21/25
Date



Hibbing Economic Development Authority

Hibbing Heating and AC

Deferred Loan Write Up

Eligibility within the framework of the deferred loan fund and revolving loan fund guidelines: Priority #1, investment in building renovations, to assist eligible business owners for the rehabilitation of commercial properties located in the City designated Focus District or commercial corridors.

Overall economic benefits of the proposed project: Will make some much-needed improvements to a building to enhance its lifespan.

Balance sheet and ratio analysis and determination of adequate capital and equity: Business and personal financial statements of the borrower shows adequate wherewithal to take on and complete this project. Additionally, borrower has gone after other outside funding and secured it for this project.

Analysis of repayment ability: N/A for this funding.

Management skill of the applicant: Borrower has been operating this business for quite some time in the city of Hibbing and has demonstrated the ability to grow the client base, complete projects, and secure funding. They are well suited to see this project through to completion.

Collateral offered and lien position: will be secured on the real estate.

Staff Recommended Loan Terms: Deferred Loans will be secured with a Repayment Agreement with the following terms and conditions:

- A. A Deferred Loan will be 100% forgiven on the first day of the sixth year after loan execution, provided: the requirements for jobs creation/retention and building improvements have been met, the location's property taxes are current, and the location's utility bill is current at the time forgiveness is requested.
- B. If the property is sold or title transferred before the end of fifth year, the required amount of prorated loan funds must be repaid to the Hibbing Economic Development Authority at the time of closing, or, assumed by the new owner at the time of closing.
- C. Program participants are required to demonstrate appropriate financing for the remaining project costs after HEDA Deferred Loan funds have been determined prior to commencing commercial rehab work.

Listed as an additional insured on the business insurance policy

Loan Application for Hibbing Economic Development Authority

Business Name: Hibbing Heating & A/C, Inc.
Business Address: 2519 1st Ave Hibbing MN 55746
Street City State Zip Code
Business Phone: 218/263-8133

Name of Principal No. 1: <u>Shawn Blight</u>	Name of Principal No. 2: <u>Crystal Blight</u>
Home Address: <u>4770 1st Ave</u> Street <u>Hibbing MN 55746</u> City State Zip Code	Home Address: <u>4770 1st Ave</u> Street <u>Hibbing MN 55746</u> City State Zip Code
Home Phone: <u>218/969-2028</u>	Home Phone: <u>218/969-1557</u>

Type of Business (LLC, Corp, Sole Prop): Corp.

Date Established: 01/01/2014

Amount of financing request from Hibbing Economic Development Authority: \$ 45,191.48

Total Project Costs: \$ 135,588.00

Signatures: (Must be signed by all parties having 20% or more ownership in the business)

I declare that any statement in this application, or information provided herein, is true and complete to the best of my knowledge and hereby acknowledge that I have read and understand the following statement:

"The State of Minnesota and its agents have the right to verify information provided in this application. False information, in addition to disqualifying the applicant from any further consideration for financial assistance, may also subject the applicant to the penalty provision of Minnesota Statute §609.645."

Name: Shawn Blight Title: President Date: 5/21/25

Name: Crystal Blight Title: Secretary/Treas. Date: 5/21/25

PLEASE INCLUDE WITH YOUR APPLICATION (Further Documentation will be Required Upon Approval of Loan – See Loan Guidelines for Details)

- Business/Project Plan and financials for the project, see next page for requirements
- Any and All Estimates for Material/Labor that Applicant has received at time of application
- Job creation, sources/uses, collateral, see page 3 for sample requirements
- Verification that Property Taxes and Utilities are current and paid. Please note: Applicant will not be eligible for loan if past due taxes or utilities exist on subject property.

Please return to: Hibbing Economic Development Authority
401 East 21st Street
Hibbing, Minnesota 55746
Or
bolivanti@ci.hibbing.mn.us

For more information or help please call:
1-218-312-1579

Job Creation

	Full Time	Part Time	Total Full Time Equivalent*
Number of Existing Employees	<u>6</u>	<u>1</u>	<u>6.05</u>
Number of New Jobs Created	<u>1-2</u>	<u></u>	<u>1-2</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		Uses	
Owners Equity	<u>13,558.80</u>	Land	<u></u>
Loan 1 PSB	<u>6,646.24</u>	Building - Roof	<u>135,588.00</u>
Loan 2 HEDA	<u>45,191.48</u>	Equipment	<u></u>
Loan 3 HEDA Deferred	<u>45,191.48</u>	Inventory	<u></u>
Line of Credit	<u></u>	Start-Up Costs	<u></u>
IRRR BER Grant	<u>25,000</u>	Goodwill	<u></u>
TOTAL	<u>135,588.00</u>	Refinance	<u></u>
		Working Capital	<u></u>
		TOTAL	<u>135,588.00</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	Park State Bank	7.50	60 mo.	Y
Loan 2	HEDA Loan			
Loan 3	HEDA Deferred Loan			

List of collateral and estimated values:

	Description	Value in \$
Item 1	Skid Steer	\$ 23,650
Item 2		
Item 3		
Item 4		
Item 5		



Hibbing Economic Development Authority Hibbing Heating and AC Revolving Loan Write Up

Eligibility within the framework of the revolving loan fund plan:

Priority #1, investment in building renovations, primarily in the downtown area, energy efficiency upgrades, investment in our community by lending to a commercial entity in the downtown area, and enhancing the quality of life for the Hibbing community

Overall economic benefits of the proposed project:

Will make some much needed improvements to a building to ensure viability and enhance its lifespan.

Balance sheet and ratio analysis and determination of adequate capital and equity:

Financial statement of the borrower shows adequate wherewithal to take on and complete this project. The revitalization of this building will be a welcome addition to the community.

Analysis of repayment ability:

The business and the borrower's global income show ability to make the payments.

Management skill of the applicant:

Borrower has the necessary skills to manage the renovation project and continue to make gains in business financial performance.

Collateral offered and lien position:

Secured on the property in subordinate position, along with a personal guarantee from Mr. and Mrs. Blight.

Staff Recommended Loan Terms:

- \$45,191.48 at 3% for 10 years, interest only for six months or full disbursement of loan proceeds, whichever is sooner
- Disbursement of loan proceeds with appropriate invoices for renovations on subject property.
- Listed as an additional insured on the business insurance policy
- ACH payment required
- Personal guarantee required

Sources		Uses	
Cash (HEDA 10% private match required)	\$13,558.80	Land	
PSB Loan	\$6,646.24	Building (Roof repair)	\$135,588.00
HEDA Loan (1/3)	\$45,191.48	Equipment	
HEDA Deferred Loan (forgivable 1/3)	\$45,191.48	Inventory	
IRRR BER Grant	\$25,000.00	Start-up Costs	
		Goodwill	
		Refinance	
		Working Capital	
TOTAL	\$135,588.00	TOTAL	\$135,588.00



Hibbing Heating and Air
Conditioning

Business Plan

August 2025

Shawn & Crystal Blight
2519 1st Ave
Hibbing, MN 55746
Telephone: 218/263-8133
Email: shawn@hibbingheatingac.com;
crystal@hibbingheatingac.com
Website: hibbingheatingac.com



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CUSTOMER ERROR! BOOKMARK NOT DEFINED.

SUPPORT PROFESSIONALS 4

EXECUTIVE SUMMARY

Description of Project

Range Cornice & Roofing Company will install a new adhered EPDM roof system. All equipment and material will meet or exceed OSHA standards. The existing roof is to be disposed of as per state and county codes. Existing decking will be inspected and replaced if any rot is found. ISO insulation will be installed giving an R-value of 36 which exceeds state code. Flash all walls/penetrations making it watertight. Clean up on the roof and grounds to pre-existing conditions or better. This roof comes with a 20-year manufacturer's warranty.

The time line for this project is dependent on grants and loans being authorized through HEDA and AEOA. Hibbing Heating is financially prepared to cover any costs that are not included in these program applications.

Source and Uses (Total Project Cost)

Sources		Uses	
Cash (HEDA 10% private match required)	\$13,558.80	Land	
PSB Loan	\$6,646.24	Building (Roof repair)	\$135,588.00
HEDA Loan (1/3)	\$45,191.48	Equipment	
HEDA Deferred Loan (forgivable 1/3)	\$45,191.48	Inventory	
IRRR BER Grant	\$25,000.00	Start-up Costs	
		Goodwill	
		Refinance	
		Working Capital	
TOTAL	\$135,588.00	TOTAL	\$135,588.00

Funding Request from HEDA

We are requesting 1/3 of the total project cost from both the Hibbing Economic Development Authority Loan program and the Deferred Loan program in the amount of \$45,191.48 each.

BUSINESS DESCRIPTION

Hibbing Heating and Air Conditioning has been serving the community since its establishment by Shawn Blight on January 1, 2014. We began as a small operation with three employees working out of a rented space.

Our expertise lies in a range of essential services including heating and cooling as well as plumbing and drain cleaning. Our HVAC services include installing, replacing, repairing and converting heating and cooling systems residentially and limited commercial locations. Our company is one of the very few who offer services on fuel oil ran systems. We also offer basic repairs and installation of new plumbing lines. The drain cleaning services allow us to align with and support Hibbing’s Sanitary Sewer Ordinance. We offer sewer lateral inspections that are reported to city officials and sump pump installations to comply with this ordinance.

In 2018, we were fortunate enough to purchase the building we currently occupy. We have since grown to a team of seven including Shawn Blight- president, Crystal Blight- secretary/treasurer, a full time HVAC technician, a full time drain cleaning technician, two part time assistants, and a full-time office manager.

The completion of this project will allow our business to remain in the current space and continue to employ the current staff. The future plans for the company are to recruit and hire one or two more full-time certified HVAC technicians which will give more residents in the area an opportunity to become our regular customers and will allow us to provide services to more commercial projects.

Ownership

Name	% of Ownership
Shawn Blight	50%
Crystal Blight	50%

Primary Customer Segments

The primary customer we work with is residential. We do offer some of our services to commercial entities but they depend on the size of the building and project. Currently our base of customers would be 85% residential and 15% commercial.

Geographic Area

We have offered services to all of Minnesota, however, we currently service from St. Louis County into northern Itasca County. These communities include but are not limited to Ely, Orr, Aurora, Virginia, Hibbing, Bovey, Grand Rapids, and Bigfork.

SUPPORT PROFESSIONALS

Certified Public Accountant

Jerulle CPA, LLC

2031 2nd Ave. E, Ste. 310
Hibbing, MN 55746
218-263-4455

Attorney

Brian M. Lindsay

Trenti Law Firm
1000 Lincoln Bldg., 225 N. 1st Street
P.O. Box 958
Virginia, MN 55792

Bank

Park State Bank

Jennifer Wainionpaa
jwainionpaa@parkstatebank.com
218-290-1153

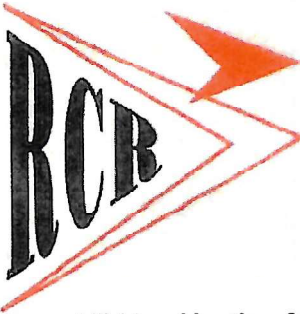
Insurance

Farmer's Insurance

Joel Brekken
4202 E Superior St.
Duluth, MN 55804
218-724-5553

Small Business Development Center Consultant

Katherine Lahti, Northland SBDC / katherine@northlandsbdc.org / 218-461-9951



RANGE CORNICE & ROOFING COMPANY

ROOFING & ARCHITECTURAL SHEET METAL CONTRACTOR

PHONE: (218) 263-8812

Fax: (218) 263-8185

510 W. 41st Street

Hibbing, MN 55746

TO: Hibbing Heating & A/C
ATTN: Shawn
EMAIL: shawn@hibbingheatingac.com

DATE: March 20, 2025
QUOTE NO.: 25-065
SUBJECT: Reroof
Approximately 8,600 SF

BID PROPOSAL

We propose to furnish all labor, equipment, and material to install a new adhered EPDM roof system as follows:

1. Set up all necessary equipment and material to meet or exceed OSHA standards.
2. Remove existing P.V.C.; pitch & gravel roofs and dispose of, as per state and county codes.
3. Inspect existing deck and replace any rotted with like kind and thickness.
4. Install (2) layers of 3.1" ISO Insulation & mechanically fasten to steel panel, as per manufacturer's specifications. This will give you an R-value of 36 which exceeds state code.
5. Install new wood nailer, to accommodate new insulation height, where needed.
6. Install new 60 Mil EPDM membrane and adhere to new insulation, as per manufacturer's specifications.
7. Flash all walls/penetrations watertight, as per manufacturer's specifications.
8. Fabricate and install all new prefinished metal coping and counterflashing, as needed.
(Color to be selected by owner from standard color chart).
9. Clean up roof and grounds to pre-existing conditions or better.
10. Furnish 20 year manufacturer's roof system warranty.

For the sum of:

ONE HUNDRED THIRTY-FIVE THOUSAND FIVE HUNDRED EIGHTY-EIGHT DOLLARS (\$135,588.00)

NOTE: Building Permit is included in the above pricing.

*AEOA has a program that offers to help pay for the insulation. Please contact Erik to see if you qualify.

Erik Bennett - 218-780-8061

erik@bennett@aeoa.org

To Acknowledge acceptance of this proposal, please highlight which proposal option you require, sign below and email to Adminassistant@rangecornice.com.

ACKNOWLEDGEMENT SIGNATURE:



RANGE CORNICE & ROOFING COMPANY

Terrance E. Marty/President

TEM/hmk



EQUAL OPPORTUNITY EMPLOYER

Park State Bank

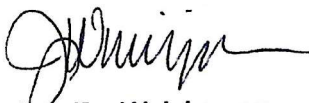
April 24, 2025

To Whom It May Concern:

Hibbing Heating & AC Inc. has historically had average balances at Park State Bank in excess of the 10% matching requirement for the grant application.

Please let me know if you need any other information.

Sincerely,



Jennifer Wainionpaa
VP Business Banking Officer
jwainionpaa@parkstatebank.com
(218) 290-1153

HIBBING ECONOMIC DEVELOPMENT AUTHORITY (HEDA) Hibbing Redevelopment Deferred Loan Program Application

The City of Hibbing and the Hibbing Economic Development Authority will provide assistance to eligible applicants for the rehabilitation of commercial properties located within the targeted area of the City of Hibbing. In order to be eligible for this program, the property must be: 1. Located within the targeted area established by the Hibbing Economic Development Authority; 2. In compliance with applicable zoning ordinances or land use guidelines; and 3. The property taxes and/or utilities must not be delinquent. Please review our CITY OF HIBBING REDEVELOPMENT PROGRAM & POLICY HANDBOOK for more information. Please note: Applications will be processed on a first come, first serve basis.

APPLICANT INFORMATION

NAME OF APPLICANT <i>Rich + Sherri Lees</i>		APPLICANT MAILING ADDRESS <i>1810 E 3rd Ave</i>	
EMPLOYER ID NUMBER (EIN) OR SOCIAL SECURITY NUMBER <i>462-17-0988</i>		APPLICANT IS <input checked="" type="checkbox"/> OWNER <input type="checkbox"/> TENANT <input type="checkbox"/> OTHER	
OFFICE/BUSINESS PHONE NUMBER <i>218-262-2860</i>	HOME PHONE NUMBER	CELL PHONE NUMBER <i>218-969-1586</i>	
CONTACT PERSON NAME & ADDRESS <i>Rich Lees 1810 E 3rd Ave</i>			CONTACT PERSON PHONE NUMBER <i>Rich Lees</i>

PROPERTY INFORMATION

BUSINESS/PROPERTY NAME <i>sellman title / sellman Borlino Attorney office</i>			
BUSINESS/PROPERTY STREET ADDRESS: <i>1907 E 3rd Ave</i>			
BUSINESS/PROPERTY MAILING ADDRESS (if different):			
LEGAL DESCRIPTION OF PROPERTY: <i>parcel ID 142-0070-00295</i>			
BUSINESS PHONE <i>218-262-2860</i>	CELL PHONE: <i>218-969-1586</i>	EMAIL: <i>A2REFRIB@MCHSI.COM</i>	
BUSINESS COUNTY <i>St Louis</i>	DATE BUSINESS FORMED:	EST. AGE OF BUILDING: <i>100 yrs</i>	ESTIMATED MARKET VALUE: <i>192,500</i>
NAICS CODE	DUNNS NUMBER	NUMBER OF STORIES: <i>1</i>	CURRENT PROPERTY TAX AMOUNT: <i>5024</i>
GENERAL DESCRIPTION OF BUILDING <i>1 story office building across from post office</i>			
DESCRIBE CURRENT AND PROPOSED BUILDING USE (Be specific, what are the products or services of this business, where does it do business, who is the ideal customer?) <i>Office Buildings. We want to modernize</i>			

(For more space, please attach additional page entitled "Business Use")

IS BUILDING IN A HISTORIC DISTRICT? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> UNKNOWN	IS BUILDING ON NATIONAL HISTORIC REGISTER? <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> UNKNOWN	IS BUILDING IN A FLOODPLAIN? <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> UNKNOWN
CURRENT ZONING CLASSIFICATION OF PROPERTY: <i>Commercial</i>	HAVE YOU RECEIVED A VARIANCE OR CONDITIONAL USE PERMIT? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO If Yes, When & For What?	
PLEASE ATTACHED THE FOLLOWING REQUIRED DOCUMENTATION TO YOUR APPLICATION		
<ul style="list-style-type: none"> ✓ <i>PROOF OF OWNERSHIP</i> (For Example: Copy of your Deed or Certificate of Title) ✓ <i>PROOF THAT BUSINESS PROPERTY TAXES and UTILITIES ARE PAID AND CURRENT</i> (Current Property Tax Statement and Utility Statement) • <i>PROOF OF INSURANCE</i> (Copy of Policy or Declarations Page) • <i>CONFIRMATION LETTER FROM YOUR BANKING INSTITUTION WHICH STATES YOU HAVE THE ABILITY TO OBTAIN THE 10% PRIVATE MATCH REQUIREMENT.</i> • <i>SOURCES and USES FOR THE TOTAL PROJECT COSTS</i> 		

Please return completed applications with all documentation in sealed envelope to:
Hibbing Economic Development Authority, 401 21st Street East, Hibbing MN 55792

OWNERSHIP INFORMATION

OWNERSHIP INTEREST IN PROPERTY TO BE IMPROVED:				
OWN	OWN WITH MORTGAGE	CONTRACT FOR DEED	LEASE	OTHER:
MORTGAGE HOLDER NAME <i>Security State Bank</i>		DATE OF MORTGAGE: <i>Aug 03 2025</i>	OUTSTANDING BALANCE: <i>350,000</i>	
PLEASE LIST ALL NAMES ON PROPERTY TITLE		OWNERSHIP INTEREST		
1.	<i>Rich + Sherri Lees owners</i>	<i>50%</i>	<i>50%</i>	
2.				
3.				
4.				

PROJECT REQUEST INFORMATION

PROPOSED IMPROVEMENTS INCLUDE:

Exterior
 Signage
 Awnings
 Mechanical
 Architectural Services
 Interior
 Other, Please Explain

DESCRIBE PROPOSED IMPROVEMENTS (be specific, for more space please attach additional page entitled "Purpose of Loan")

*Update the Exterior to A more modern look,
Make ADA compliant, new lighting*

ESTIMATED TOTAL COSTS OF PROPOSED REHABILITATION WORK *182,000*

REQUESTED DEFERRED LOAN AMOUNT: *70,000*

MATCHING AMOUNT: *112,000*

OWNERSHIP INTEREST IN PROPERTY TO BE IMPROVED (How will matching amount be funded?)

Personal Savings
 Mortgage
 Private Loan
 OTHER: _____

Financial Application - Tennesen Warning Notice

Some data related to your application may be classified as private under Minnesota Statute 13.599. In order to collect and use this data, we must tell you why we need the data, how we intend to use it, and any consequences you may experience if you do or do not supply the information.

HOW WE INTEND TO USE THE DATA: The information you submit in connection with your application will be used to evaluate your application and, if you are selected for funding, to announce your award. A Minnesota law prohibits state agencies from announcing financing awards before agreement negotiations are complete. If you are selected for funding, this document will allow HEDA to announce your award on a preliminary basis while those negotiations are still pending. Selected participants will be notified before any announcements are made. Announcements typically include information such as a project description, the award amount, and the anticipated impact of grant/loan funding. We may also include information from our evaluation process, including scores and ranks (if applicable). We will never publicize your business plans, customer lists, income tax returns, design / market / feasibility studies, income and expense reports, or any other data classified as private or nonpublic under Minn. Stat. 13.591. Application data submitted by organizations that are not selected for funding will only be released upon request and as required by Minn. Stat. Chapter 13 or other applicable state/federal law. Application or evaluation data may also be shared with any entity that has a legal right to the data under Minnesota or federal law, including under court order.

CONSEQUENCES TO YOU: You can refuse to supply any or all of the requested information, which you are not legally required to provide. However, if the information is not provided we may not be able to make an informed decision on your application and thus will be required to deny the application.

FOR MORE INFORMATION: City of Hibbing Data Practices Compliance Official-Britt See-Benes, City Administrator (218) 748-7500; Minnesota Data Practices Act - www.revisor.leg.state.mn.us/stats/13/ or Minnesota Department of Administration, Information Policy Analysis Division (IPAD) - www.ipad.state.mn.us/index.html

APPLICANTS INITIAL THAT YOU HAVE READ THIS SECTION _____

I/we certify that all statements on this application are true and correct to the best of my/our knowledge. I/we understand that any intentional misstatements will be grounds for disqualification. I authorize program representatives the right to access the property to be improved for the purpose of inspecting or obtaining information for the rehabilitation loan program.

[Signature]
 Applicant Signature

Rich Lees Sherri Lees
 Printed Name

8.15.25
 Date

Please return completed applications with all documentation in sealed envelope to:
 Hibbing Economic Development Authority, 401 21st Street East, Hibbing MN 55792



Hibbing Economic Development Authority 1907 E 3rd Ave. Deferred Loan Write Up

Eligibility within the framework of the deferred loan fund guidelines: investment in building renovations to enhance the lifespan, to assist eligible business owners for the rehabilitation of commercial properties located in the City designated Focus District or commercial corridors.

Overall economic benefits of the proposed project: Will make improvements to a building in the downtown corridor to enhance accessibility.

Balance sheet and ratio analysis and determination of adequate capital and equity: Borrower has secured the necessary funding for this project from their own equity. This building has two long-standing tenants.

Analysis of repayment ability: N/A for this funding.

Management skill of the applicant: Borrower is the current owner of this location and is well suited to see this project through to completion.

Collateral offered and lien position: will be secured on the property, behind all other lenders

Staff Recommended Loan Terms: \$36,302.25 Deferred Loan will be secured with a Repayment Agreement with the following terms and conditions:

- A. A Deferred Loan will be 100% forgiven on the first day of the sixth year after loan execution, provided: the requirements for jobs creation/retention and building improvements have been met, the location's property taxes are current, and the location's utility bill is current at the time forgiveness is requested.
- B. If the property is sold or title transferred before the end of fifth year, the required amount of prorated loan funds must be repaid to the Hibbing Economic Development Authority at the time of closing, or, application to assume the deferred loan must be received from the new owner prior to the time of closing and approved by the HEDA Board
- C. All other funding has been secured

Listed as an additional insured on business insurance policy.

A-1 Refrigeration of Hibbing, Inc.

1810 East Third Avenue
 Hibbing, MN 55746

Estimate

Date	Estimate #
8/13/2025	916275

Name / Address
LEES RENTAL COMPANY 1810 3RD AVE E HIBBING MN 55746

			Project
Description	Qty	Cost	Total
for the sellman title building 1907 east third ave			
REPLACE ALL LIGHTING WITH LED FIXTURES		44,000.00	44,000.00
EXTERIOR UPGRADES		55,000.00	55,000.00
NEW STOREFRONTS		35,000.00	35,000.00
NEW STONE FRONT		40,000.00	40,000.00
NEW GARAGE DOOR		8,000.00	8,000.00
		Total	\$182,000.00

Customer Signature _____

ESTIMATE

Crego Inc.
2220 1st Ave.
Hibbing, MN 55746

ericcrego@yahoo.com
+1 (218) 969-4858



RESIDENTIAL BUILDING CONTRACTOR

218-969-4858

Lees Rentals Co.

Bill to

1810 3rd Ave E

Hibbing

MN

55746

Estimate details

Estimate no.: 1406

Estimate date: 08/14/2025

#	Date	Product or service	Description	Qty	Rate	Amount
1.		Sales	Estimate for the building at 1907 E 3rd Ave. in Hibbing, MN for work on the exterior of the building including stone work, new LED lighting inside and out, new commercial doors and windows at the entrances, and a new garage overhead door. Labor and materials included.	1	\$204,980.00	\$204,980.00

Total

\$204,980.00

Note to customer

Thank you, we look forward to doing business with you.

Accepted date

Accepted by

HEDA Update - 09/03/2025

Dear HEDA Board Members,

I wanted to share an update on our moving progress. Since the last update we haven't made a lot of progress as we were awaiting a fire alarm quote and it was difficult figuring out all the details to what exactly is needed. However, as of today, 09/03/2025, I met with ESC Systems based out of Duluth to figure out exactly what fire system is required and I'm now awaiting a proposal. We had received a proposal from LVC the previous week, but they were not quite sure what is required based on the code review done by Widseth. Additionally, Ingenuity was finally able to accomplish all that is needed to get their permit signed and are ready to start putting in a couple of doors as is required by licensing.

We have spent all of last week downsizing, organizing and packing, so that we are ready to be out the door as soon as the required construction is done. Abundant Life Church has also made the space available to us to move in at any time. We have keys and a signed contract. We really did not expect to still be here at this point.

Given that this is my only opportunity to address anything to the HEDA Board before our extended lease is up, I again am asking for an extension through the month of October, should the fire alarm system take longer than we hope. We truly hope it won't be needed in the end. This will absolutely be our last request for an extension, as we cannot stay in this building once the heat has to come on. There is no doubt that we cannot afford that utility bill at that time.

Once again, we are truly doing the best we can, while also operating this business and taking care of the need for childcare for our families.

Request: Lease extension through the month of October, if needed.

We highly appreciate your patience and consideration in this matter!

Pia Groszbach and the Staff at HPNS

Advanced Machine Guarding Solutions



Rendering:



Actual Photo:



HEDA Board Progress Update

Monday, September 8, 2025





Agenda:

- 1. Safety**
- 2. Schedule**
- 3. Progress**
- 4. Project Budget Status**
- 5. Project Contingency Status**
- 6. Ribbon Cutting Ceremony**



Safety:

To date, we have had zero recordable and zero lost time incidents on the project.

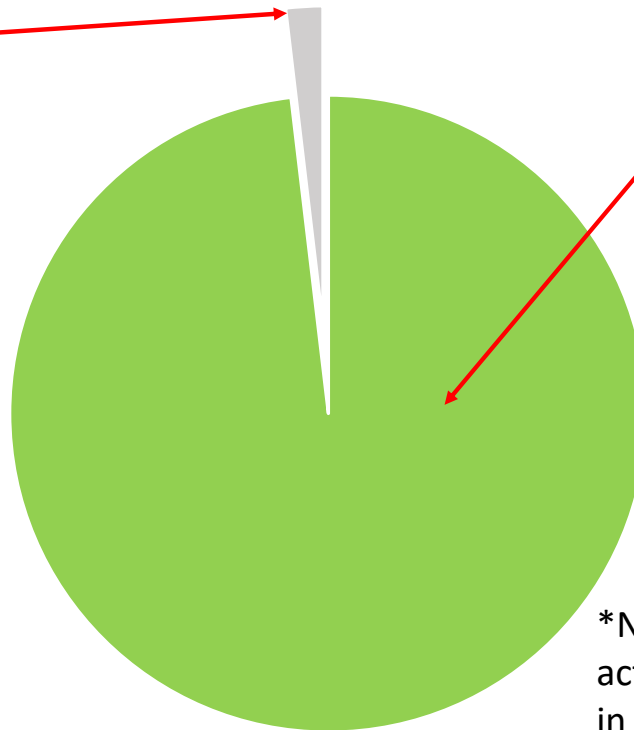


KRAUS-ANDERSON®

Project Schedule Status:

Duration Remaining*:
(1) Week (1%)

Duration Complete as of 8 SEP 25:
12 Months (99%)



Project Schedule as of 8 SEP 25

■ Months Worked ■ Months Remaining

*Note: Durations based on actual work tasks, actual timeframes will be longer - due to breaks in work as owner equipment is being installed.



Current Milestones:

- Mechanical and Electrical Subs connecting AMGS provided equipment as it is built/available.
 - **Production Equipment End of August 2025**
 - **Powder Coat Equipment By 12 September 2025**
- AMGS has access to all areas of the building & in production.
- Punch Lists were Completed on:
 - Site & Civil: June 16, 2025.
 - Office, Fabrication & Warehouse: June 26, 2025.
- Substantial Completion of project: June 27, 2025.
- Exterior Building Lighting complete by July 15, 2025.
- Exterior **Light Poles & Sign** completed September 4, 2025.
- Final Electrical Inspection by late September 2025, after all equipment has been completed/connected.
- City of Hibbing **Temporary** Certificate of Occupancy issue date July 14, 2025.
- City of Hibbing **Final** Certificate of Occupancy issue late September 2025 (after all equipment is installed and connected).
- **Mechanical Equipment Startup and Owner Training completed September 2, 2025.**
- Final Closeout Documents and As-Built drawings submitted in late September 2025.
- **FINAL COMPLETION OF ALL WORK, FINAL OCCUPANCY CERTIFICATE, BILLINGS AND FINANCIAL CLOSEOUT OCTOBER 13, 2025.**





Progress:

- Fire Alarm System is fully functional (operating on wireless temporarily).
- Owner provided Fiber Optic Communications system installed and internet is operating.
- Connectivity to AMGS equipment will occurring **August-September 2025** and conclude **September 12, 2025** after AMGS provided equipment is delivered, assembled, anchored and ready for connection. **Ongoing process.**
- **Exterior light poles and sign energized September 4, 2025.**
- Final gas connections to equipment by mid September when equipment is assembled.
- Mechanical balanced 18-22 August (awaiting final report).
- Factory startup of both the Makeup Air and Dust Collection equipment completed September 2, 2025.
- Mechanical Factory representative owner training conducted during the 2 September 2, 2025 startup.

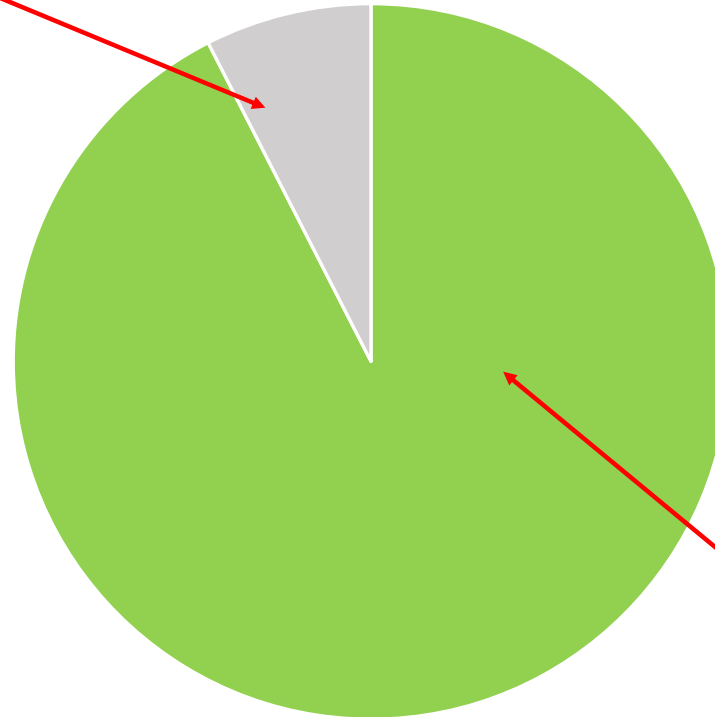




KRAUS-ANDERSON®

Project Budget Status

Balance to Finish:
\$594,403.45 (8%)



Work Complete as of 8 SEP 25:
\$7,306,696.15 (92%)

■ Work Complete ■ Balance to Finish

- Pay Application #13 Thru 31 AUG 2025
- Total KA Project Budget as of 8 SEP 25 = \$7,953,491.06



KRAUS-ANDERSON®

Contingency Update 18 AUGUST 2025:

	Original Budget	Expenditures	Remaining Balance
Design and HEDA Contingency	\$548,942	\$ 416,562.81 (76%)* Through CO #21	\$132,379.19 (24%)
KA Contingency & Scope Gap Coverage	\$682,950	\$390,379.62 (57%)	\$292,570 (43%)

*** Awaiting pricing on PR 017r (PCO87) for added Fire Protection Sprinkler Revisions ~\$5,000**



KRAUS-ANDERSON®

AMGS

Update Meeting

RIBBON CUTTING CEREMONY

**SEPTEMBER 19, 2025 @ 11:30 AM – 1:00 PM
INSIDE THE BUILDING – LUNCH PROVIDED**



KRAUS-ANDERSON®

AMGS

Update Meeting

Questions?

THANK YOU!



Master Project Budget

Owner: Hibbing Economic Development Authority (HEDA)
 Project: AMGS Manufacturing Facility
 Designer: Widseth and BARR Engineering
 Date: 5-Sep-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	\$391,624.16	See attached CO detail
Subtotal Hard Costs	\$7,953,490.16	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	\$9,268,852	

AMGS Expansion Project Change Order Detail

Date	Change Order #	Amount
9/3/2024	CO#001	\$0.00
10/2/2024	CO#002	\$5,754.84
10/29/2024	CO#003	\$65,704.87
12/11/2024	CO#004	\$20,464.93
12/30/2024	CO#005	(\$2,288.94)
1/2/2025	CO#006	\$5,818.60
1/16/2025	CO#007	\$4,653.06
1/17/2025	CO#008	\$9,326.42
1/29/2025	CO#009	\$1,263.64
1/30/2025	CO#010	\$978.44
2/28/2025	CO#11	\$5,556.30
3/19/2025	CO#12	\$54,948.79
3/24/2025	CO#13	\$1,110.63
4/16/2025	CO#14	\$17,695.20
5/12/2025	CO#15	\$108,476.95
5/19/2025	CO#16	\$11,225.00
5/19/2025	CO#17	\$3,333.97
6/5/2025	CO#18	\$1,920.45
6/5/2025	CO#19	\$4,579.93
6/18/2025	CO#20	18709.52
9/2/2025	CO#21	\$52,391.56
	SubTotal	<u>\$391,624.16</u>
3/6/2025	Elec	\$24,938.75
6/6/2025	Fiber Install	\$12,000.00
	Total	<u>\$428,562.91</u>
	Owner Contingency	\$ 622,285.00
	To Project	\$391,624.16
	To Owner	<u>\$36,938.75</u>
	Remainder	\$ 193,722.09

**FIRST ADDENDUM TO
PURCHASE AGREEMENT**

This is an Addendum to that certain Purchase Agreement March 10, 2025, between Hibbing Economic Development Authority, Seller, and JT Venture LLC, Buyer, and said Purchase Agreement is amended as follows:

That paragraph 3, Closing, is amended to reflect that the closing of this transaction shall take place at the date and location hereinafter to be determined (the "Closing") with the anticipated closing date being **October 31, 2025**.

That in all other respects the Purchase Agreement dated March 10, 2025, remains in full force and effect.

Dated: _____

SELLER
Hibbing Economic Development
Authority

By _____
Shari Majkich Brock

By _____
Steve Jurenes

Dated: 9/4/25

BUYER
JT Venture LLC

By Trenda Yoder
Trenda Yoder
Its Manager

Project Budget		
Task	Vendor	Cost \$
Wetland Delineation	Widseth	4,500
Pre-demolition asbestos and hazardous materials Inspection	NTS	10,430
Boundary and Topographic Survey	Widseth	4300
Phase I	NTS	3500
Title Work	Estimate from Andy Borland	500
TIF Analysis of Building/Site	LHB	7,800
Municipal Advising	BakerTilly Estimate from 400 bloc	18,900
Legal fees	Gina Fiorini	8,000
Misc (Phase 2, Inspection, Platting review, etc. as required)	various	27,070
		85,000

*Half of each line item to be paid by DIRRR grant

*Half of each line item to be paid by 255-46-6500-490



WIDSETH

March 27, 2025
 City of Hibbing
 Attn: Betsy Olivanti | Community Development Director
 401 East 21st Street, Hibbing, MN 55746
 Hibbing, MN 55746
 218-312-1579

Hibbing
 704 East Howard Street
 Hibbing, Minnesota 55746
 218.263.6868
 Hibbing@Widseth.com
 Widseth.com

Re: Proposal for a Professional Land Survey Services for your property part of the North ½ of Southwest ¼ of the Southeast ¼ in Section 18, T.57N., R.20W., St. Louis County, MN Parcel No: 140-0270-00855. (former Sunrise Bakery Property)

Dear Betsy,

Thank you for contacting us regarding the survey of the property indicated above. We have completed research of the area and have a good understanding of the efforts necessary to establish your property boundaries as we discussed. We propose the following specific scope of services:

Field Survey Services

- Utilize existing surveys, plats, Gov't corners, and a current deed as the basis for our work.
- Recover the plat corners necessary to determine your boundary.
- Verify existing monuments or place new 5/8 inch by 24-inch rebar monuments marked by flagging.
- Locate visible encroachments.
- Perform a topographic survey.
- Locate improvements on property.
- Locate visible utilities as marked by a Gopher One State locate

Office Computations and Drawing

- Compile the field data and prepare a Certificate of Survey to include:
 - Property boundaries and record description.
 - Encroachments observed.
 - Property corners found and established.
 - Topographic information.
 - Improvements.
 - Utilities as observed.
- Provide a CADD file and a PDF of the signed Certificate of Survey together with paper copies for your use.

Based on the services requested, research performed and our experience in the area we will perform this survey for a Lump sum of **\$4,300.00**. If you are in agreement, please sign, date and return one copy of this proposal as your authorization to proceed. We appreciate the opportunity to present this proposal to you and look forward to working with you on this project. Please feel free to contact me with any questions.

Sincerely,
 WIDSETH

Anthony Palcich L.S., CFedS
 Land Surveyor

David Jordan P.E.
 Vice President

ARCHITECTS ■ ENGINEERS ■ SCIENTISTS ■ SURVEYORS

.....
Proposed by Widseth

Accepted by City of Hibbing representative: ***The above proposal is satisfactory and Widseth Smith Nolting and Associates, Inc., (DBA WIDSETH) is authorized to do the work as specified. Payment will be made upon completion of the proposed work. Owner may accept this contract through its signature below.***

Signature

Date

General Provisions of Professional Survey Services Agreement

These General Provisions are intended to be used in conjunction with a letter-type Agreement or a Request for Services between Widseth Smith Nolting & Assoc., Inc., a Minnesota Corporation, hereinafter referred to as WIDSETH, and a CLIENT, wherein the CLIENT engages WIDSETH to provide certain Architectural, and/or Engineering services on a Project.

As used herein, the term "this Agreement" refers to (1) the WIDSETH Proposal Letter which becomes the Letter Agreement upon its acceptance by the Client, (2) these General Provisions and (3) any attached Exhibits, as if they were part of one and the same document. With respect to the order of precedence, any attached Exhibits shall govern over these General Provisions, and the Letter Agreement shall govern over any attached Exhibits and these General Provisions. These documents supersede all prior communications and constitute the entire Agreement between the parties. Amendments to this Agreement must be in writing and signed by both CLIENT and WIDSETH.

ARTICLE 1. PERIOD OF SERVICE

The term of this Agreement for the performance of services hereunder shall be as set forth in the Letter Agreement. In this regard, any lump sum or estimated maximum payment amounts set forth in the Letter Agreement have been established in anticipation of an orderly and continuous progress of the Project in accordance with the schedule set forth in the Letter Agreement or any Exhibits attached thereto. WIDSETH shall be entitled to an equitable adjustment to its fee should there be an interruption of services, or amendment to the schedule.

ARTICLE 2. SCOPE OF SERVICES

The scope of services covered by this Agreement shall be as set forth in the Letter Agreement or a Request for Services. Such scope of services shall be adequately described in order that both the CLIENT and WIDSETH have an understanding of the expected work to be performed.

If WIDSETH is of the opinion that any work they have been directed to perform is beyond the Scope of this Agreement, or that the level of effort required significantly exceeds that estimated due to changed conditions and thereby constitutes extra work, they shall notify the CLIENT of that fact. Extra work, additional compensation for same, and extension of time for completion shall be covered by a revision to the Letter Agreement or Request for Services and entered into by both parties.

ARTICLE 3. COMPENSATION TO WIDSETH

A. Compensation to WIDSETH for services described in this Agreement shall be on a Lump Sum basis, Percentage of Construction, and/or Hourly Rate basis as designated in the Letter Agreement and as hereinafter described.

1. In addition to the foregoing, WIDSETH shall be reimbursed for items and services as set forth in the Letter Agreement or Fee Schedule and the following Direct Expenses when incurred in the performance of the work:
 - (a) Travel and subsistence.
 - (b) Specialized computer services or programs.
 - (c) Outside professional and technical services with cost defined as the amount billed WIDSETH.
 - (d) Identifiable reproduction and reprographic costs.
 - (e) Other expenses for items such as permit application fees, license fees, or other additional items and services whether or not specifically identified in the Letter Agreement or Fee Schedule.
2. The CLIENT shall make monthly payments to WIDSETH within 30 days of date of invoice based on computations made in accordance with the above charges for services provided and expenses incurred to date, accompanied by supporting evidence as available.

B. The CLIENT will pay the balance stated on the invoice unless CLIENT notifies WIDSETH in writing of the particular item that is alleged to be incorrect within 15 days from the date of invoice, in which case, only the disputed item will remain undue until resolved by the parties. All accounts unpaid after 30 days from the date of original invoice shall be subject to a service charge of 1 % per month, or the maximum amount authorized by law, whichever is less. WIDSETH shall be entitled to recover all reasonable costs and disbursements, including reasonable attorneys fees, incurred in connection with collecting amount owed by CLIENT. In addition, WIDSETH may, after giving seven days written notice to the CLIENT, suspend services and withhold deliverables under this Agreement until WIDSETH has been paid in full for all amounts then due for services, expenses and charges. CLIENT agrees that WIDSETH shall not be responsible for any claim for delay or other consequential damages arising from suspension of services hereunder. Upon payment in full by Client and WIDSETH's resumption of services, the time for performance of WIDSETH's services shall be equitably adjusted to account for the period of suspension and other reasonable time necessary to resume performance.



ARTICLE 4. ABANDONMENT, CHANGE OF PLAN AND TERMINATION

Either Party has the right to terminate this Agreement upon seven days written notice. In addition, the CLIENT may at any time, reduce the scope of this Agreement. Such reduction in scope shall be set forth in a written notice from the CLIENT to WIDSETH. In the event of unresolved dispute over change in scope or changed conditions, this Agreement may also be terminated upon seven days written notice as provided above.

In the event of termination, and upon payment in full for all work performed and expenses incurred to the date of termination, documents that are identified as deliverables under the Letter Agreement whether finished or unfinished shall be made available by WIDSETH to the CLIENT pursuant to Article 5, and there shall be no further payment obligation of the CLIENT to WIDSETH under this Agreement except for payment of an amount for WIDSETH's anticipated profit on the value of the services not performed by WIDSETH and computed in accordance with the provisions of Article 3 and the Letter Agreement.

In the event of a reduction in scope of the Project work, WIDSETH shall be paid for the work performed and expenses incurred on the Project work thus reduced and for any completed and abandoned work, for which payment has not been made, computed in accordance with the provisions of Article 3 and the Letter Agreement.

ARTICLE 5. DISPOSITION OF PLANS, REPORTS AND OTHER DATA

All reports, plans, specifications, field data and notes and other documents, including all documents on electronic media, prepared by WIDSETH or its consultants are Instruments of Service and shall remain the property of WIDSETH or its consultants, respectively. WIDSETH and its subconsultants retain all common law, statutory and other reserved rights, including, without limitation, copyright. WIDSETH and its subconsultants maintain the right to determine if production will be made, and allowable format for production, of any electronic media or data to CLIENT or any third-party. Upon payment in full of monies due pursuant to the Agreement, WIDSETH shall make hard copies available to the CLIENT, of all documents that are identified as deliverables under the Letter Agreement. If the documents have not been finished (including, but not limited to, completion of final quality control), then WIDSETH shall have no liability for any claims expenses or damages that may arise out of items that could have been corrected during completion/quality control. Any Instruments of Service provided are not intended or represented to be suitable for reuse by the CLIENT or others on extensions of the Project or any other project. Any modification or reuse without written verification or adaptation by WIDSETH for the specific purpose intended will be at CLIENT's sole risk and without liability or legal exposure to WIDSETH. CLIENT shall indemnify, defend and hold harmless WIDSETH from any and all suits or claims of third parties arising out of use of unfinished documents, or modification or reuse of finished documents, which is not specifically verified, adapted, or authorized in writing by WIDSETH. This indemnity shall survive the termination of this Agreement.

Should WIDSETH choose to deliver to CLIENT documents in electronic form, CLIENT acknowledges that differences may exist between any electronic files delivered and the printed hard-copy. Copies of documents that may be relied upon by CLIENT are limited to the printed hard-copies that are signed and/or sealed by WIDSETH. Files in electronic form are only for convenience of CLIENT. Any conclusion or information obtained or derived from such electronic documents will be at user's sole risk. CLIENT acknowledges that the useful life of some forms of electronic media may be limited because of deterioration of the media or obsolescence of the computer hardware and/or software systems. Therefore, WIDSETH makes no representation that such media will be fully usable beyond 30 days from date of delivery to CLIENT.

ARTICLE 6. CLIENT'S ACCEPTANCE BY PURCHASE ORDER OR OTHER MEANS

In lieu of or in addition to signing the acceptance blank on the Letter Agreement, the CLIENT may accept this Agreement by permitting WIDSETH to commence work on the project or by issuing a purchase order signed by a duly authorized representative. Such purchase order shall incorporate by reference the terms and conditions of this Agreement. In the event of a conflict between the terms and conditions of this Agreement and those contained in the CLIENT's purchase order, the terms and conditions of this Agreement shall govern. Notwithstanding any purchase order provisions to the contrary, no warranties, express or implied, are made by WIDSETH.

ARTICLE 7. CLIENT'S RESPONSIBILITIES

A. To permit WIDSETH to perform the services required hereunder, the CLIENT shall supply, in proper time and sequence, the following at no expense to WIDSETH:

1. Designate in writing, a person to act as CLIENT's representative with respect to the services to be rendered under this Agreement. Such person shall have authority to transmit instructions, receive instructions, receive information, interpret and define CLIENT's policies with respect to WIDSETH's services.
2. Provide access to, and make all provisions for WIDSETH to enter upon publicly or privately owned property as required to perform the work.
3. Provide other services, materials, or data as may be set forth in the Letter Agreement or any Exhibits attached hereto.

B. WIDSETH may use any CLIENT provided information in performing its services. WIDSETH shall be entitled to rely on the accuracy and completeness of information furnished by the CLIENT. If WIDSETH finds that any information furnished by the CLIENT is in error or is inadequate for its purpose, WIDSETH shall endeavor to notify the CLIENT. However, WIDSETH shall not be held responsible for any errors or omissions that may arise as a result of erroneous or incomplete information provided by CLIENT.

If construction observation services are not included in the scope of services, CLIENT assumes all responsibility for interpretation of the Contract Documents and for construction observation, and the CLIENT waives any claims against WIDSETH that are connected with the performance of such services.

ARTICLE 8. CERTIFICATIONS, GUARANTEES AND WARRANTIES

WIDSETH shall not be required to sign any documents, no matter by who requested, that would result in WIDSETH having to certify, guarantee or warrant the existence of conditions whose existence WIDSETH cannot ascertain. CLIENT agrees not to make resolution of any dispute with WIDSETH or payment of any amount due to WIDSETH in any way contingent upon WIDSETH signing such certification.

ARTICLE 9. INSURANCE

WIDSETH shall procure and maintain insurance for protection from claims against it under workers' compensation acts, claims for damages because of bodily injury including personal injury, sickness or disease or death of any and all employees or of any person other than such employees, and from claims against it for damages because of injury to or destruction of property including loss of use resulting therefrom.

Also, WIDSETH shall procure and maintain professional liability insurance for protection from claims arising out of performance of professional services caused by any negligent act, error, or omission for which WIDSETH is legally liable.

Certificates of insurance will be provided to the CLIENT upon request.

ARTICLE 10. ASSIGNMENT

Neither Party to this Agreement shall transfer, sublet or assign any rights or duties under or interest in this Agreement, including but not limited to monies that are due or monies that may be due, without the prior written consent of the other party. Subcontracting to subconsultants, normally contemplated by WIDSETH as a generally accepted business practice, shall not be considered an assignment for purposes of this Agreement.

ARTICLE 11. NO THIRD-PARTY BENEFICIARIES

Nothing contained in this Agreement shall create a contractual relationship or a cause of action by a third-party against either WIDSETH or CLIENT. WIDSETH's services pursuant to this Agreement are being performed solely for the CLIENT's benefit, and no other party or entity shall have any claim against WIDSETH because of this Agreement.

ARTICLE 12. CORPORATE PROTECTION

It is intended by the parties to this Agreement that WIDSETH's services in connection with the Project shall not subject WIDSETH's individual employees, officers or directors to any personal legal exposure for the risks associated with this Project. Therefore, and notwithstanding anything to the contrary, CLIENT agrees that as the CLIENT's sole and exclusive remedy, any claim, demand or suit shall be directed and/or asserted only against WIDSETH, a Minnesota corporation, and not against any of WIDSETH's individual employees, officers or directors.

ARTICLE 13. CONTROLLING LAW

This Agreement is to be governed by the laws of the State of Minnesota.

ARTICLE 14. ASSIGNMENT OF RISK

In recognition of the relative risks and benefits of the project to both the CLIENT and WIDSETH, the risks have been allocated such that the CLIENT agrees, to the fullest extent permitted by law, to limit the liability of WIDSETH, employees of WIDSETH and sub-consultants, to the CLIENT and to all construction contractors, subcontractors, agents and assigns on the project for any and all claims, losses, costs, damages of any nature whatsoever or claims expenses

from any cause or causes, so that total aggregate liability of WIDSETH, employees of WIDSETH and sub-consultants, to all those named shall not exceed WIDSETH's total fee received for services rendered on this project. Such claims and causes include, but are not limited to negligence, professional errors or omissions, strict liability, breach of contract or warranty.

ARTICLE 15. NON-DISCRIMINATION

WIDSETH will comply with the provisions of applicable federal, state and local statutes, ordinances and regulations pertaining to human rights and non-discrimination.

ARTICLE 16. SEVERABILITY

Any provision or portion thereof in this Agreement which is held to be void or unenforceable under any law shall be deemed stricken and all remaining provisions shall continue to be valid and binding between CLIENT and WIDSETH. All limits of liability and indemnities contained in the Agreement shall survive the completion or termination of the Agreement.

**ARTICLE 17. PRE-LIEN NOTICE
PURSUANT TO THE AGREEMENT WIDSETH WILL BE PERFORMING SERVICES IN CONNECTION WITH IMPROVEMENTS OF REAL PROPERTY AND MAY CONTRACT WITH SUBCONSULTANTS OR SUBCONTRACTORS AS APPROPRIATE TO FURNISH LABOR, SKILL AND/OR MATERIALS IN THE PERFORMANCE OF THE WORK. ACCORDINGLY, CLIENT IS ENTITLED UNDER MINNESOTA LAW TO THE FOLLOWING NOTICE:**

- (a) **ANY PERSON OR COMPANY SUPPLYING LABOR OR MATERIALS FOR THIS IMPROVEMENT TO YOUR PROPERTY MAY FILE A LIEN AGAINST YOUR PROPERTY IF THAT PERSON OR COMPANY IS NOT PAID FOR ITS CONTRIBUTIONS.**
- (b) **UNDER MINNESOTA LAW, YOU HAVE THE RIGHT TO PAY PERSONS WHO SUPPLIED LABOR OR MATERIALS FOR THIS IMPROVEMENT DIRECTLY AND DEDUCT THIS AMOUNT FROM OUR CONTRACT PRICE, OR WITHHOLD THE AMOUNTS DUE FROM US UNTIL 120 DAYS AFTER COMPLETION OF THE IMPROVEMENT UNLESS WE GIVE YOU A LIEN WAIVER SIGNED BY PERSONS WHO SUPPLIED ANY LABOR OR MATERIALS FOR THE IMPROVEMENT AND WHO GAVE YOU TIMELY NOTICE.**

CELEBRATING FIFTY YEARS | EST. 1975

WIDSETH

August 20, 2025

Ms. Betsy Olivanti
City of Hibbing
401 East 21st Street
Hibbing, MN 55746
Phone: 218-312-1579
Email: BetsyOlivanti@hibbingmn.gov

Hibbing
704 East Howard Street
Hibbing, Minnesota 55746
218.263.6868
Hibbing@Widseth.com
Widseth.com

**RE: WETLAND DELINEATION AND REPORT PROPOSAL
Hibbing, MN**

Dear Ms. Olivanti:

Widseth Smith Nolting & Associates, Inc. (Widseth) appreciates the opportunity to present our proposal to you for the delineation of aquatic resources within parcel number 140-0270-00855 in St. Louis County, MN. It is our understanding that you are developing the site and need a wetland delineation completed.

Below is a list of the services we will provide and an outline of the proposed schedule.

Project Scope of Services

1. Research

Widseth will review existing records/maps/surveys and existing data as required by the 1987 U.S. Army Corps of Engineers Wetlands Delineation Manual (1987 Manual). This will include aerial photos, National Wetland Inventory maps, and soil surveys.

2. Field Delineation

Widseth will analyze the hydrology, vegetation, and soils of the Property to determine what areas must be classified as wetlands. The delineation will be performed using the methods outlined in the 1987 Manual, the standard practice required under the Minnesota Wetland Conservation Act (WCA) and by the U.S. Army Corps of Engineers. We will stake the wetland areas for visual reference. We will survey the wetland boundaries and sample point locations with GPS equipment.

3. Report

Widseth will prepare a report for the Property summarizing and discussing our findings and include site maps and aerial photos showing the location of delineated areas. The report will document the delineation methodology and provide detailed Field Data Sheets. The report will use the methods and include the information required by the regulatory agencies to address wetland concerns.

ARCHITECTS ■ ENGINEERS ■ SCIENTISTS ■ SURVEYORS

4. Attend WCA Technical Evaluation Panel Meeting

Widseth will attend the WCA Technical Evaluation Panel (TEP) meeting on your behalf.

5. Additional Services Available

Submit wetland application to agencies. If wetland impacts are anticipated an application may be required, prior to working within the wetlands. This is not included in this scope of work.

Proposed Schedule

The following is a schedule outline for the wetland delineation:

September 2025

- On-site wetland delineation
- Complete wetland report
- Submit joint application and wetland report to agencies for review (60 days)

October 2025

- Meet TEP onsite (if available)

November 2025

- Receive Notice of Decision

Proposed Fee

Our estimated fees for the above scope of work is \$4,500.00.

This price is effective until September 30, 2025.

Thank you again for this opportunity, we look forward to working with you. Attached to this proposal you will find our General Provisions sheet. Please review all of this information, sign and date below and return to us via email.

Sincerely,

WIDSETH



Joey Goeden
Wetland Specialist, CMWP #1311

BY: 
Bryan T. Balcome, LS, Office Manager, VP

ACCEPTED: Widseth is authorized to perform the scope of work in accordance with the attached general provisions and proposed fees.

BY: _____ DATE: _____

General Provisions of Professional Services Agreement

These General Provisions are intended to be used in conjunction with a letter-type Agreement or a Request for Services between Widseth Smith Nolting & Assoc., Inc., a Minnesota Corporation, hereinafter referred to as WIDSETH, and a CLIENT, wherein the CLIENT engages WIDSETH to provide certain Architectural, and/or Engineering services on a Project.

As used herein, the term "this Agreement" refers to (1) the WIDSETH Proposal Letter which becomes the Letter Agreement upon its acceptance by the Client, (2) these General Provisions and (3) any attached Exhibits, as if they were part of one and the same document. With respect to the order of precedence, any attached Exhibits shall govern over these General Provisions, and the Letter Agreement shall govern over any attached Exhibits and these General Provisions. These documents supersede all prior communications and constitute the entire Agreement between the parties. Amendments to this Agreement must be in writing and signed by both CLIENT and WIDSETH.

ARTICLE 1. PERIOD OF SERVICE

The term of this Agreement for the performance of services hereunder shall be as set forth in the Letter Agreement. In this regard, any lump sum or estimated maximum payment amounts set forth in the Letter Agreement have been established in anticipation of an orderly and continuous progress of the Project in accordance with the schedule set forth in the Letter Agreement or any Exhibits attached thereto. WIDSETH shall be entitled to an equitable adjustment to its fee should there be an interruption of services, or amendment to the schedule.

ARTICLE 2. SCOPE OF SERVICES

The scope of services covered by this Agreement shall be as set forth in the Letter Agreement or a Request for Services. Such scope of services shall be adequately described in order that both the CLIENT and WIDSETH have an understanding of the expected work to be performed.

If WIDSETH is of the opinion that any work they have been directed to perform is beyond the Scope of this Agreement, or that the level of effort required significantly exceeds that estimated due to changed conditions and thereby constitutes extra work, they shall notify the CLIENT of that fact. Extra work, additional compensation for same, and extension of time for completion shall be covered by a revision to the Letter Agreement or Request for Services and entered into by both parties.

ARTICLE 3. COMPENSATION TO WIDSETH

A. Compensation to WIDSETH for services described in this Agreement shall be on a Lump Sum basis, Percentage of Construction, and/or Hourly Rate basis as designated in the Letter Agreement and as hereinafter described.

1. A Lump Sum method of payment for WIDSETH's services shall apply to all or parts of a work scope where WIDSETH's tasks can be readily defined and/or where the level of effort required to accomplish such tasks can be estimated with a reasonable degree of accuracy. The CLIENT shall make monthly payments to WIDSETH within 30 days of date of invoice based on an estimated percentage of completion of WIDSETH's services.
2. A Percentage of Construction or an Hourly Rate method of payment of WIDSETH's services shall apply to all or parts of a work scope where WIDSETH's tasks cannot be readily defined and/or where the level of effort required to accomplish such tasks cannot be estimated with any reasonable degree of accuracy. Under an Hourly Rate method of payment, WIDSETH shall be paid for the actual hours worked on the Project by WIDSETH technical personnel times an hourly billing rate established for each employee. Hourly billing rates shall include compensation for all salary costs, payroll burden, general, and administrative overhead and professional fee. In a Percentage of Construction method of payment, final compensation will be based on actual bids if the project is bid and WIDSETH's estimate to the CLIENT if the project is not bid. A rate schedule shall be furnished by WIDSETH to CLIENT upon which to base periodic payments to WIDSETH.
3. In addition to the foregoing, WIDSETH shall be reimbursed for items and services as set forth in the Letter Agreement or Fee Schedule and the following Direct Expenses when incurred in the performance of the work:
 - (a) Travel and subsistence.
 - (b) Specialized computer services or programs.
 - (c) Outside professional and technical services with cost defined as the amount billed WIDSETH.
 - (d) Identifiable reproduction and reprographic costs.
 - (e) Other expenses for items such as permit application fees, license fees, or other additional items and services whether or not specifically identified in the Letter Agreement or Fee Schedule.
4. The CLIENT shall make monthly payments to WIDSETH within 30 days of date of invoice based on computations made in accordance with the above charges for services provided and expenses incurred to date, accompanied by supporting evidence as available.



B. The CLIENT will pay the balance stated on the invoice unless CLIENT notifies WIDSETH in writing of the particular item that is alleged to be incorrect within 15 days from the date of invoice, in which case, only the disputed item will remain undue until resolved by the parties. All accounts unpaid after 30 days from the date of original invoice shall be subject to a service charge of 1 % per month, or the maximum amount authorized by law, whichever is less. WIDSETH shall be entitled to recover all reasonable costs and disbursements, including reasonable attorneys fees, incurred in connection with collecting amount owed by CLIENT. In addition, WIDSETH may, after giving seven days written notice to the CLIENT, suspend services and withhold deliverables under this Agreement until WIDSETH has been paid in full for all amounts then due for services, expenses and charges. CLIENT agrees that WIDSETH shall not be responsible for any claim for delay or other consequential damages arising from suspension of services hereunder. Upon payment in full by Client and WIDSETH's resumption of services, the time for performance of WIDSETH's services shall be equitably adjusted to account for the period of suspension and other reasonable time necessary to resume performance.

ARTICLE 4. ABANDONMENT, CHANGE OF PLAN AND TERMINATION

Either Party has the right to terminate this Agreement upon seven days written notice. In addition, the CLIENT may at any time, reduce the scope of this Agreement. Such reduction in scope shall be set forth in a written notice from the CLIENT to WIDSETH. In the event of unresolved dispute over change in scope or changed conditions, this Agreement may also be terminated upon seven days written notice as provided above.

In the event of termination, and upon payment in full for all work performed and expenses incurred to the date of termination, documents that are identified as deliverables under the Letter Agreement whether finished or unfinished shall be made available by WIDSETH to the CLIENT pursuant to Article 5, and there shall be no further payment obligation of the CLIENT to WIDSETH under this Agreement except for payment of an amount for WIDSETH's anticipated profit on the value of the services not performed by WIDSETH and computed in accordance with the provisions of Article 3 and the Letter Agreement.

In the event of a reduction in scope of the Project work, WIDSETH shall be paid for the work performed and expenses incurred on the Project work thus reduced and for any completed and abandoned work, for which payment has not been made, computed in accordance with the provisions of Article 3 and the Letter Agreement.

ARTICLE 5. DISPOSITION OF PLANS, REPORTS AND OTHER DATA

All reports, plans, specifications, field data and notes and other documents, including all documents on electronic media, prepared by WIDSETH or its consultants are Instruments of Service and shall remain the property of WIDSETH or its consultants, respectively. WIDSETH and its subconsultants retain all common law, statutory and other reserved rights, including, without limitation, copyright. WIDSETH and its subconsultants maintain the right to determine if production will be made, and allowable format for production, of any electronic media or data to CLIENT or any third-party. Upon payment in full of monies due pursuant to the Agreement, WIDSETH shall make hard copies available to the CLIENT, of all documents that are identified as deliverables under the Letter Agreement. If the documents have not been finished (including, but not limited to, completion of final quality control), then WIDSETH shall have no liability for any claims expenses or damages that may arise out of items that could have been corrected during completion/quality control. Any Instruments of Service provided are not intended or represented to be suitable for reuse by the CLIENT or others on extensions of the Project or any other project. Any modification or reuse without written verification or adaptation by WIDSETH for the specific purpose intended will be at CLIENT's sole risk and without liability or legal exposure to WIDSETH. CLIENT shall indemnify, defend and hold harmless WIDSETH from any and all suits or claims of third parties arising out of use of unfinished documents, or modification or reuse of finished documents, which is not specifically verified, adapted, or authorized in writing by WIDSETH. This indemnity shall survive the termination of this Agreement.

Should WIDSETH choose to deliver to CLIENT documents in electronic form, CLIENT acknowledges that differences may exist between any electronic files delivered and the printed hard-copy. Copies of documents that may be relied upon by CLIENT are limited to the printed hard-copies that are signed and/or sealed by WIDSETH. Files in electronic form are only for convenience of CLIENT. Any conclusion or information obtained or derived from such electronic documents will be at user's sole risk. CLIENT acknowledges that the useful life of some forms of electronic media may be limited because of deterioration of the media or obsolescence of the computer hardware and/or software systems. Therefore, WIDSETH makes no representation that such media will be fully usable beyond 30 days from date of delivery to CLIENT.

ARTICLE 6. CLIENT'S ACCEPTANCE BY PURCHASE ORDER OR OTHER MEANS

In lieu of or in addition to signing the acceptance blank on the Letter Agreement, the CLIENT may accept this Agreement by permitting WIDSETH to commence work on the project or by issuing a purchase order signed by a duly authorized representative. Such purchase order shall incorporate by reference the terms and conditions of this Agreement. In the event of a conflict between the terms and conditions of this Agreement and those contained in the CLIENT's purchase order, the terms and conditions of this Agreement shall govern. Notwithstanding any purchase order provisions to the contrary, no warranties, express or implied, are made by WIDSETH.

ARTICLE 7. CLIENT'S RESPONSIBILITIES

A. To permit WIDSETH to perform the services required hereunder, the CLIENT shall supply, in proper time and sequence, the following at no expense to WIDSETH:

1. Provide all program, budget, or other necessary information regarding its requirements as necessary for orderly progress of the work.
2. Designate in writing, a person to act as CLIENT's representative with respect to the services to be rendered under this Agreement. Such person shall have authority to transmit instructions, receive instructions, receive information, interpret and define CLIENT's policies with respect to WIDSETH's services.
3. Furnish, as required for performance of WIDSETH's services (except to the extent provided otherwise in the Letter Agreement or any Exhibits attached hereto), data prepared by or services of others, including without limitation, core borings, probes and subsurface explorations, hydrographic and geohydrologic surveys, laboratory tests and inspections of samples, materials and equipment; appropriate professional interpretations of all of the foregoing; environmental assessment and impact statements; property, boundary easement, right-of-way, topographic and utility surveys; property descriptions; zoning, deed and other land use restriction; and other special data not covered in the Letter Agreement or any Exhibits attached hereto.
4. Provide access to, and make all provisions for WIDSETH to enter upon publicly or privately owned property as required to perform the work.
5. Act as liaison with other agencies or involved parties to carry out necessary coordination and negotiations; furnish approvals and permits from all governmental authorities having jurisdiction over the Project and such approvals and consents from others as may be necessary for completion of the Project.
6. Examine all reports, sketches, drawings, specifications and other documents prepared and presented by WIDSETH, obtain advice of an attorney, insurance counselor or others as CLIENT deems necessary for such examination and render in writing, decisions pertaining thereto within a reasonable time so as not to delay the services of WIDSETH.
7. Give prompt written notice to WIDSETH whenever CLIENT observes or otherwise becomes aware of any development that affects the scope or timing of WIDSETH's services or any defect in the work of Construction Contractor(s), Consultants or WIDSETH.
8. Initiate action, where appropriate, to identify and investigate the nature and extent of asbestos and/or pollution in the Project and to abate and/or remove the same as may be required by federal, state or local statute, ordinance, code, rule, or regulation now existing or hereinafter enacted or amended. For purposes of this Agreement, "pollution" and "pollutant" shall mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, alkalis, chemicals and hazardous or toxic waste. Hazardous or toxic waste means any substance, waste pollutant or contaminant now or hereafter included within such terms under any federal, state or local statute, ordinance, code, rule or regulation now existing or hereinafter enacted or amended. Waste further includes materials to be recycled, reconditioned or reclaimed.

If WIDSETH encounters, or reasonably suspects that it has encountered, asbestos or pollution in the Project, WIDSETH shall cease activity on the Project and promptly notify the CLIENT, who shall proceed as set forth above. Unless otherwise specifically provided in the Letter Agreement, the services to be provided by WIDSETH do not include identification of asbestos or pollution, and WIDSETH has no duty to identify or attempt to identify the same within the area of the Project.

With respect to the foregoing, CLIENT acknowledges and agrees that WIDSETH is not a user, handler, generator, operator, treater, storer, transporter or disposer of asbestos or pollution which may be encountered by WIDSETH on the Project. It is further understood and agreed that services WIDSETH will undertake for CLIENT may be uninsurable obligations involving the presence or potential presence of asbestos or pollution. Therefore, CLIENT agrees, except (1) such liability as may arise out of WIDSETH's sole negligence in the performance of services under this Agreement or (2) to the extent of insurance coverage available for the claim, to hold harmless, indemnify and defend WIDSETH and WIDSETH's officers, subcontractor(s), employees and agents from and against any and all claims, lawsuits, damages, liability and costs, including, but not limited to, costs of defense, arising out of or in any way connected with the presence, discharge, release, or escape of asbestos or pollution. This indemnification is intended to apply only to existing conditions and not to conditions caused or created by WIDSETH. This indemnification shall survive the termination of this Agreement.

9. Provide such accounting, independent cost estimating and insurance counseling services as may be required for the Project, such legal services as CLIENT may require or WIDSETH may reasonably request with regard to legal issues pertaining to the Project including any that may be raised by Contractor(s), such auditing service as CLIENT may require to ascertain how or for what purpose any Contractor has used the moneys paid under the construction contract, and such inspection services as CLIENT may require to ascertain that Contractor(s) are complying with any law, rule, regulation, ordinance, code or order applicable to their furnishing and performing the work.

10. Provide "record" drawings and specifications for all existing physical features, structures, equipment, utilities, or facilities which are pertinent to the Project, to the extent available.

11. Provide other services, materials, or data as may be set forth in the Letter Agreement or any Exhibits attached hereto.

B. WIDSETH may use any CLIENT provided information in performing its services. WIDSETH shall be entitled to rely on the accuracy and completeness of information furnished by the CLIENT. If WIDSETH finds that any information furnished by the CLIENT is in error or is inadequate for its purpose, WIDSETH shall endeavor to notify the CLIENT. However, WIDSETH shall not be held responsible for any errors or omissions that may arise as a result of erroneous or incomplete information provided by CLIENT.

ARTICLE 8. OPINIONS OF COST

Opinions of probable project cost, construction cost, financial evaluations, feasibility studies, economic analyses of alternate solutions and utilitarian considerations of operations and maintenance costs provided for in the Letter Agreement or any Exhibits attached hereto are to be made on the basis of WIDSETH's experience and qualifications and represent WIDSETH's judgment as an experienced design professional. It is recognized, however, that WIDSETH does not have control over the cost of labor, material, equipment or services furnished by others or over market conditions or contractors' methods of determining their prices, and that any evaluation of any facility to be constructed, or acquired, or work to be performed on the basis of WIDSETH's cost opinions must, of necessity, be speculative until completion of construction or acquisition. Accordingly, WIDSETH does not guarantee that proposals, bids or actual costs will not substantially vary from opinions, evaluations or studies submitted by WIDSETH to CLIENT hereunder.

ARTICLE 9. CONSTRUCTION PHASE SERVICES

CLIENT acknowledges that it is customary for the architect or engineer who is responsible for the preparation and furnishing of Drawings and Specifications and other construction-related documents to be employed to provide professional services during the Bidding and Construction Phases of the Project, (1) to interpret and clarify the documentation so furnished and to modify the same as circumstances revealed during bidding and construction may dictate, (2) in connection with acceptance of substitute or equal items of materials and equipment proposed by bidders and Contractor(s), (3) in connection with approval of shop drawings and sample submittals, and (4) as a result of and in response to WIDSETH's detecting in advance of performance of affected work inconsistencies or irregularities in such documentation. CLIENT agrees that if WIDSETH is not employed to provide such professional services during the Bidding (if the work is put out for bids) and the Construction Phases of the Project, WIDSETH will not be responsible for, and CLIENT shall indemnify and hold WIDSETH, its officers, consultant(s), subcontractor(s), employees and agents harmless from, all claims, damages, losses and expenses including attorneys' fees arising out of, or resulting from, any interpretation, clarification, substitution acceptance, shop drawing or sample approval or modification of such documentation issued or carried out by CLIENT or others. Nothing contained in this paragraph shall be construed to release WIDSETH, its officers, consultant(s), subcontractor(s), employees and agents from liability for failure to perform in accordance with professional standards any duty or responsibility which WIDSETH has undertaken or assumed under this Agreement.

ARTICLE 10. REVIEW OF SHOP DRAWINGS AND SUBMITTALS

WIDSETH may review and approve or take other appropriate action on the contractor's submittals or shop drawings for the limited purpose of checking for general conformance with information given and design concept expressed in the Contract Documents. Review and/or approval of submittals is not conducted for the purpose of determining accuracy and completeness of other details or for substantiating instructions for installation or performance of equipment or systems, all of which remain the exclusive responsibility of the contractor. WIDSETH's review and/or approval shall not constitute approval of safety precautions, or any construction means, methods, techniques, sequences or procedures. WIDSETH's approval of a specific item shall not indicate approval of an assembly of which the item is a component. WIDSETH's review and/or approval shall not relieve contractor for any deviations from the requirements of the contract documents nor from the responsibility for errors or omissions on items such as sizes, dimensions, quantities, colors, or locations. Contractor shall remain solely responsible for compliance with any manufacturer requirements and recommendations.

ARTICLE 11. REVIEW OF PAY APPLICATIONS

If included in the scope of services, any review or certification of any pay applications, or certificates of completion shall be based upon WIDSETH's observation of the Work and on the data comprising the contractor's application for payment, and shall indicate that to the best of WIDSETH's knowledge, information and belief, the quantity and quality of the Work is in general conformance with the Contract Documents. The issuance of a certificate for payment or substantial completion is not a representation that WIDSETH has made exhaustive or continuous inspections, reviewed construction means and methods, verified any back-up data provided by the contractor, or ascertained how or for what purpose the contractor has used money previously paid by CLIENT.

ARTICLE 12. REQUESTS FOR INFORMATION (RFI)

If included in the scope of services, WIDSETH will provide, with reasonable promptness, written responses to requests from any contractor for clarification, interpretation or information on the requirements of the Contract Documents. If Contractor's RFI's are, in WIDSETH's professional opinion, for information readily apparent from reasonable observation of field conditions or review of the Contract Documents, or are reasonably inferable therefrom, WIDSETH shall be entitled to compensation for Additional Services for WIDSETH's time in responding to such requests. CLIENT may wish to make the Contractor responsible to the CLIENT for all such charges for additional services as described in this article.

ARTICLE 13. CONSTRUCTION OBSERVATION

If included in the scope of services, WIDSETH will make site visits as specified in the scope of services in order to observe the progress of the Work completed. Such site visits and observations are not intended to be an exhaustive check or detailed inspection, but rather are to allow WIDSETH to become generally familiar with the Work. WIDSETH shall keep CLIENT informed about the progress of the Work and shall advise the CLIENT about observed deficiencies in the Work. WIDSETH shall not supervise, direct or have control over any Contractor's work, nor have any responsibility for the construction means, methods, techniques, sequences or procedures selected by the Contractor nor for the Contractor's safety precautions or programs in connection with the Work. These rights and responsibilities are solely those of the Contractor. WIDSETH shall not be responsible for any acts or omissions of any Contractor and shall not be responsible for any Contractor's failure to perform the Work in accordance with the Contract Documents or any applicable laws, codes, regulations, or industry standards.

If construction observation services are not included in the scope of services, CLIENT assumes all responsibility for interpretation of the Contract Documents and for construction observation, and the CLIENT waives any claims against WIDSETH that are connected with the performance of such services.

ARTICLE 14. BETTERMENT

If, due to WIDSETH's negligence, a required item or component of the Project is omitted from the construction documents, WIDSETH shall not be responsible for paying the cost required to add such item or component to the extent that such item or component would have been required and included in the original construction documents. In no event, will WIDSETH be responsible for any cost or expense that provides betterment or upgrades or enhances the value of the Project.

ARTICLE 15. CERTIFICATIONS, GUARANTEES AND WARRANTIES

WIDSETH shall not be required to sign any documents, no matter by who requested, that would result in WIDSETH having to certify, guarantee or warrant the existence of conditions whose existence WIDSETH cannot ascertain. CLIENT agrees not to make resolution of any dispute with WIDSETH or payment of any amount due to WIDSETH in any way contingent upon WIDSETH signing such certification.

ARTICLE 16. CONTINGENCY FUND

CLIENT and WIDSETH agree that certain increased costs and changes may be required because of possible omissions, ambiguities or inconsistencies in the plans and specifications prepared by WIDSETH, and therefore, that the final construction cost of the Project may exceed the bids, contract amount or estimated construction cost. CLIENT agrees to set aside a reserve in the amount of 5% of the Project construct costs as a contingency to be used, as required, to pay for any such increased costs and changes. CLIENT further agrees to make no claim by way of direct or third-party action against WIDSETH with respect to any increased costs within the contingency because of such changes or because of any claims made by any Contractor relating to such changes.

ARTICLE 17. INSURANCE

WIDSETH shall procure and maintain insurance for protection from claims against it under workers' compensation acts, claims for damages because of bodily injury including personal injury, sickness or disease or death of any and all employees or of any person other than such employees, and from claims against it for damages because of injury to or destruction of property including loss of use resulting therefrom.

Also, WIDSETH shall procure and maintain professional liability insurance for protection from claims arising out of performance of professional services caused by any negligent act, error, or omission for which WIDSETH is legally liable.

Certificates of insurance will be provided to the CLIENT upon request.

ARTICLE 18. ASSIGNMENT

Neither Party to this Agreement shall transfer, sublet or assign any rights or duties under or interest in this Agreement, including but not limited to monies that are due or monies that may be due, without the prior written consent of the other party. Subcontracting to subconsultants, normally contemplated by WIDSETH as a generally accepted business practice, shall not be considered an assignment for purposes of this Agreement.

ARTICLE 19. NO THIRD-PARTY BENEFICIARIES

Nothing contained in this Agreement shall create a contractual relationship or a cause of action by a third-party against either WIDSETH or CLIENT. WIDSETH's services pursuant to this Agreement are being performed solely for the CLIENT's benefit, and no other party or entity shall have any claim against WIDSETH because of this Agreement.

ARTICLE 20. CORPORATE PROTECTION

It is intended by the parties to this Agreement that WIDSETH's services in connection with the Project shall not subject WIDSETH's individual employees, officers or directors to any personal legal exposure for the risks associated with this Project. Therefore, and notwithstanding anything to the contrary, CLIENT agrees that as the CLIENT's sole and exclusive remedy, any claim, demand or suit shall be directed and/or asserted only against WIDSETH, a Minnesota corporation, and not against any of WIDSETH's individual employees, officers or directors.

ARTICLE 21. CONTROLLING LAW

This Agreement is to be governed by the laws of the State of Minnesota.

ARTICLE 22. ASSIGNMENT OF RISK

In recognition of the relative risks and benefits of the project to both the CLIENT and WIDSETH, the risks have been allocated such that the CLIENT agrees, to the fullest extent permitted by law, to limit the liability of WIDSETH, employees of WIDSETH and sub-consultants, to the CLIENT and to all construction contractors, subcontractors, agents and assigns on the project for any and all claims, losses, costs, damages of any nature whatsoever or claims expenses from any cause or causes, so that total aggregate liability of WIDSETH, employees of WIDSETH and sub-consultants, to all those named shall not exceed WIDSETH's total fee received for services rendered on this project. Such claims and causes include, but are not limited to negligence, professional errors or omissions, strict liability, breach of contract or warranty.

ARTICLE 23. NON-DISCRIMINATION

WIDSETH will comply with the provisions of applicable federal, state and local statutes, ordinances and regulations pertaining to human rights and non-discrimination.

ARTICLE 24. SEVERABILITY

Any provision or portion thereof in this Agreement which is held to be void or unenforceable under any law shall be deemed stricken and all remaining provisions shall continue to be valid and binding between CLIENT and WIDSETH. All limits of liability and indemnities contained in the Agreement shall survive the completion or termination of the Agreement.

ARTICLE 25. PRE-LIEN NOTICE

PURSUANT TO THE AGREEMENT WIDSETH WILL BE PERFORMING SERVICES IN CONNECTION WITH IMPROVEMENTS OF REAL PROPERTY AND MAY CONTRACT WITH SUBCONSULTANTS OR SUBCONTRACTORS AS APPROPRIATE TO FURNISH LABOR, SKILL AND/OR MATERIALS IN THE PERFORMANCE OF THE WORK. ACCORDINGLY, CLIENT IS ENTITLED UNDER MINNESOTA LAW TO THE FOLLOWING NOTICE:

- (a) **ANY PERSON OR COMPANY SUPPLYING LABOR OR MATERIALS FOR THIS IMPROVEMENT TO YOUR PROPERTY MAY FILE A LIEN AGAINST YOUR PROPERTY IF THAT PERSON OR COMPANY IS NOT PAID FOR ITS CONTRIBUTIONS.**
- (b) **UNDER MINNESOTA LAW, YOU HAVE THE RIGHT TO PAY PERSONS WHO SUPPLIED LABOR OR MATERIALS FOR THIS IMPROVEMENT DIRECTLY AND DEDUCT THIS AMOUNT FROM OUR CONTRACT PRICE, OR WITHHOLD THE AMOUNTS DUE FROM US UNTIL 120 DAYS AFTER COMPLETION OF THE IMPROVEMENT UNLESS WE GIVE YOU A LIEN WAIVER SIGNED BY PERSONS WHO SUPPLIED ANY LABOR OR MATERIALS FOR THE IMPROVEMENT AND WHO GAVE YOU TIMELY NOTICE.**



To: Hibbing Economic Development Authority
From: Northeast Technical Services, Inc.
Subject: Jefferson School Redevelopment
Date: August 21, 2025
Project: 23181

NTS is pleased to provide this proposal for the property identified as the Jefferson School found at 2810 Diane Lane in Hibbing, Minnesota.¹ The following describes our scope of services for the redevelopment of this parcel (the Work).

The Work

Phase I environmental site assessments, professional services for a Phase I assessment will be completed by ASTM E1527-21 for the definition of a recognized environmental conditions (REC) and for 1) records review; 2) site reconnaissance; 3) interviews; and 4) reporting. A final deliverable will present if REC are identified.

Asbestos inspection & Hazardous materials, the inspection will be conducted by a Minnesota Department of Health (MDH) Certified Asbestos Inspector. Our inspectors will assess the building materials for friability and collect samples of all observed potential asbestos containing building materials (PACBM), in accordance with EPA CFR Title 40, Chapter I, subchapter R, part 763. The survey will focus only on items or debris attached to the building; loose items or debris located on the property will not be included in this assessment. Staff will conduct the survey by observing the structure for the presence of items identified on the MPCA Pre-Demolition Environmental Checklist and Guide. A final report will provide sample results and findings. Detailed services are provided in attachment A.

¹ - Saint Louis County Land Explorer Parcel 140-0270-00855.

Estimate, line items and estimates for each service are provided below.

Phase I Environmental Site Assessment	\$ 3,500
Asbestos & Hazardous Materials Inspection ²	\$10,430
Total	\$13,930

Timing, NTS staff is ready to schedule this work as soon as authorization to proceed is received with some caveats being site access, and if the ground surface may be snow covered. Our final deliverables are generally produced within four weeks of the site visit and field work event. If a specific deadline is required, please let us know.

Authorization to proceed,³ this proposal presented by NTS has been reviewed and accepted by a duly authorized signatory with the full authority to act for and in the name of the party to whom this document is addressed. In consideration of the foregoing, NTS hereby agrees to provide environmental services in the above matter.

X

Authorized Signature & Date

² - Detailed proposal provided as Attachment A.

³ - Terms and Conditions are attached. If services above and beyond the scope are requested, NTS hourly rates will be invoiced. Terms and conditions and hourly rates are assessed annually and this proposal with cost estimate will need to be evaluated after December 31, 2025, if work has not taken place or if the proposed development changes.

Attachment A

May 21, 2025

City of Hibbing Community Development
Betsy Olivanti – Director
401 East 21st Street
Hibbing, MN 55746

RE: Cost estimate for a Pre Demolition Asbestos Inspection and Hazardous Material Survey for the Former Jefferson Grade School located at 2810 Diane Lane, Hibbing, Minnesota.

Dear Betsy:

Northeast Technical Services, Inc. (NTS) is pleased to submit this cost estimate for a Pre Demolition Asbestos Inspection and Hazardous Materials Survey for the above referenced property. It is our understanding that the inspection will cover a story and half building with a tunnel that runs underneath the exterior perimeter of the building, building is approximately 46,595 square feet and was built around 1958.

Asbestos Inspection

The inspection will be conducted by a NTS Minnesota Department of Health (MDH) Certified Asbestos Inspector. Our Inspector will assess the buildings materials for friability and collect samples of all observed potential asbestos containing building materials (PACBM), that were not previously sampled, in accordance with the EPA CFR Title 40, Chapter I, subchapter R, part 763. Per MDH standards at least three samples of all PACBM (note additional samples of surfacing materials may be required) will be collected to assess for the presence of asbestos. Destructive sampling methods will be used for the inspection. Typical materials that would be sampled include:

- Wallboard and joint compounds
- Duct insulation
- Floor tiles and associated mastics
- Ceiling panels
- Surfacing materials (i.e., ceiling texture, plaster)
- Boiler and furnace gaskets
- Roofing materials
- Electrical sheathing, and resistors

Samples will be submitted to EMSL laboratories for laboratory bulk asbestos analysis by EPA Method 600/R-93/116. After reviewing the laboratory data, we will prepare a factual report which will summarize our methods and procedures, the scope of work, and the laboratory results.

We anticipate that there will be approximately two hundred (200) PACBM samples. Please note, the quantity of samples collected will be dependent on what the inspector observes at the time of his visit. NTS bill will be based on the number of samples actually collected. If the number is greater than estimated, we will contact you to discuss this change before the samples are submitted to the lab for analyses.



Hazardous Materials Survey

The survey will focus only on items or debris attached to the building. Loose items or debris located on the property will not be included in this assessment. NTS will conduct the survey by observing the structure for the presence of items identified on the MPCA Pre-Demolition Environmental Checklist and Guide, revised December 2000. In general we will be observing for:

- Mercury – examples include batteries, lighting, HVAC systems, electrical systems
- Poly-Chlorinated Biphenyls (PCBs)- examples include transformers, light ballasts, capacitors, transistors, heat transfer equipment, caulking, window glaze
- Lead-examples include paint, batteries, roof vents, flashing molds, pipes, solder
- Chlorofluorocarbons-examples include fire extinguishers, air conditioners, walk in coolers, water fountains, heat pumps

In addition to the items discussed above, NTS will observe the structure for oil and gasoline containers such as hydraulic door closing devices, containers, and tanks.

Report

NTS will prepare a factual report which will outline field methods and will discuss the results of the asbestos inspection.

Below is a breakdown of anticipated costs based on the above Scope of Services.

Service	Unit Cost	Units	Subtotal
Project Management, Coordination & Reporting	\$155/hour	5 hours	\$ 775.00
Asbestos/HazMat Inspection	\$155/hour	8 hours	\$ 1,240.00
Asbestos/HazMat Inspection	\$115/hour	24 hours	\$ 2,760.00
Asbestos/HazMat Inspection Report	\$115/hour	10 hours	\$ 1,150.00
Laboratory Samples (asbestos)	\$13.65/sample	200 samples	\$ 2,730.25
Laboratory Samples (PCB's)	\$151.40/sample	6 samples	\$ 908.40
Laboratory Samples (Lead Paint)	\$38.82/sample	15 samples	\$ 582.30
Shipping Fees	\$75/site	1 site	\$ 75.00
Mileage	\$.70/mile	155 miles	\$ 108.50
Field Supplies	\$50/day	2 days	\$ 100.00
Total			\$10,429.45

NTS can usually begin field-work within a couple weeks of your written approval. The report would be completed within two weeks of receiving all the laboratory results. The standard turnaround time for the laboratory results is seven to ten working days. If additional lead, PCB, or asbestos containing materials are identified, there may be a need for additional sampling. We will contact you after our site visit to discuss any potential changes in the Scope of Services, before we proceed with any additional work.



NTS will not bill in excess of actual work performed or costs incurred; and therefore, may not bill for the full amount budgeted. We will not exceed the purchase order amount, unless a significant change in scope of work.

If this cost estimate is acceptable to you, please sign in the space provided below and return it to me at NTS as our authorization to proceed. By signing this proposal you are agreeing to the Standards Terms that are attached to this proposal.

If you have any questions or comments, please feel free to call me at (218) 742-1028. NTS is excited, and appreciates the opportunity to serve you, and look forward working with you on your project.

Sincerely,
Northeast Technical Services, Inc.

A handwritten signature in black ink, appearing to read 'Scott A. Seeley', written in a cursive style.

Scott A. Seeley
NPDES Compliance Project Manager
MDH Certified Asbestos & Lead Inspector

Signatures

This cost estimate, presented by NTS, is hereby accepted and executed by a duly authorized signatory with the full authority to act for and in the name of the party to whom this document is addressed.

Signature _____

Printed Name _____

Title _____

Date _____

Attachment B

NTS Terms & Conditions + Rates

TERMS AND CONDITIONS

1. NTS Responsibilities

- 1.1. **Services:** NTS agrees to perform the services (the “Work”) for Client in accordance with the Proposal which is a part of these terms and conditions.
- 1.2. **Standard of Care:** In performing the Work, NTS will use that degree of care and skill ordinarily exercised under similar circumstances by reputable members of NTS’ profession practicing in the same locality.
- 1.3. **Licensing/Compliance with Laws:** NTS agrees to preserve the existence of all its licenses necessary to the operation of its business relating to the Work. NTS will comply in all material respects with all laws which are applicable to its activities under the Proposal.
- 1.4. **Independent Contractor:** In performing the Work under this Agreement, NTS will operate as, and have the status of an independent contractor and will not act as, or be an employee, representative or agent of the Client. NTS will select the means, methods, techniques, sequences, and procedures used in providing the Work.
- 1.5. **Indemnity:** NTS will defend, indemnify, and hold harmless the Client, its officers and employees, from and against all actions, claims, damages, and expenses actually suffered or incurred by the Client arising out of or relating to a breach of any warranty, representation or agreement made or undertaken by NTS in the Proposal or these terms and conditions.
- 1.6. **Limitations on Liability:** NTS shall not be liable to the Client for any incidental, consequential, special or punitive damages relating to the work whether liability is asserted in contract, tort or otherwise. The liability of NTS, if any relating to the work, in no event will exceed the price paid by the Client to NTS hereunder.
- 1.7. **Confidentiality:** Confidential documents and information provided by the Client to NTS will be maintained in confidence except as required by law or as otherwise specified in a separate confidentiality agreement signed by NTS and the Client.
- 1.8. **Insurance:** NTS will maintain the following insurance policies and minimum limits: a) Workers’ Compensation – statutory; b) General Liability- \$1,000,000 per occurrence; \$2,000,000 aggregate; c) Automobile liability - \$1,000,000 combined single limit; d) Professional liability - \$1,000,000 per occurrence; \$2,000,000 aggregate. Certificates showing proof of insurance will be provided to the Client upon request.
- 1.9. **Client’s Subcontractors:** NTS’ duties do not include supervising the Client’s contractors, or commenting on, supervising, or providing the means and methods of their work unless NTS accepts those duties in writing.

2. Client Responsibilities

- 2.1. **Access:** Client grants NTS and its subcontractors the right of entry to the site upon which the Work is to be performed and unimpeded use of the site for performance of the Work. If the Work requires entry to property not owned by Client, the Client will obtain access permits from the owner of the site.

- 2.2. **Information:** The Client agrees to provide NTS with all information, plans, changes in plans, and data of which the Client has knowledge, including, without limitation, known or suspected hazardous substances, that may affect or be required to perform the Work (the “Information”). If the Client has specific health and safety programs or policies these must be disclosed to NTS.
- 2.3. **Authorizations and Permits:** Unless otherwise agreed to in writing, the Client shall be required to secure and maintain all government authorizations, local approvals, licenses and operational permits which may be required by federal, state, or local authorities to perform the Work.
- 2.4. **Indemnity:** The Client will defend, indemnify and hold harmless NTS, its officers and employees, from and against all actions, claims, damages, and expenses arising out of or relating to (i) a breach of any warranty, representation or agreement made or undertaken by the Client in the Proposal or these terms and conditions, (ii) negligent acts and omissions of the Client, any other party contracting with the Client on the same project as NTS or other persons for whom the Client is legally responsible and/or (iii) the Client’s failure to provide the Information to NTS in a timely manner.

3. Compensation

- 3.1. **Payment:** The Client will pay NTS for the Work according to the Proposal. The Client agrees to notify NTS of billing disputes within fifteen days of the date of invoice. The Client agrees to pay all undisputed portions of NTS’ invoice within thirty (30) days of the date of invoice. For undisputed balances not paid within said 30-day period, the Client agrees to pay interest on the unpaid balances beginning thirty (30) days after the date of invoice at the rate of 1.5% per month, but not to exceed the maximum rate allowed by law. If NTS is involved in a legal action to collect compensation for the Work, the Client agrees to pay NTS’ collection expenses, including, without limitation, reasonable attorney’s fees.

4. General Provisions

- 4.1. **Entire Agreement:** These terms and conditions together with the Proposal constitutes the entire agreement between NTS and the Client with respect to the subject matter hereof. These terms and conditions may not be modified, supplemented or waived except in a writing signed by an authorized representative of NTS.
- 4.2. **Assignment:** Neither NTS nor the Client may assign the Proposal without the written approval of the other; provided, however, NTS may engage appropriately skilled subcontractors or affiliates of NTS to perform any part of the Work.
- 4.3. **Ownership of Reports:** NTS’ reports, notes, calculations, and other written or electronic documents are instruments of service, for only the Client’s use. The Client will not use or transfer reports to others for purposes for which they were not prepared without the prior written consent of NTS, which consent will not be unreasonably withheld.
- 4.4. **Governing Law and Jurisdiction:** These terms and conditions shall be deemed to have been made in the State of Minnesota and shall governed by and interpreted in accordance with the laws of the State of Minnesota. With respect to any dispute, controversy or claim arising out of or relating to these terms and conditions or the relationship between the parties, NTS and the Client agree and consent to jurisdiction of and exclusive venue in Minnesota State Court, St. Louis County, Sixth Judicial District.



- 4.5. **Waiver:** Any waiver by either party of any provision of this Agreement shall not imply a subsequent waiver of that or any other provision.
- 4.6. **Third Party Beneficiary:** This Agreement is to be construed and understood solely as an Agreement between NTS and the Client and shall not be deemed to create any rights in any other person. No person shall have the right to make claim that he/she is a third-party beneficiary of this Agreement or of any of the terms and conditions hereof, which, as between NTS and the Client, may be waived at any time by mutual agreement between NTS and the Client.

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2025 List Rates

Lab Tech I	\$60	\$65	Lab Tech II	\$70	\$75
		Ethan Stone			

Field Tech I Lab Tech III Driller I	\$80	\$85	Field Tech II Lab Tech IV Driller II	\$90	\$95
				Alan Bradford	Mike Wattunen
				Christian Pezzutto	Tim Miro

Field Science Lab Tech IV	\$105	\$110	\$115	Field Science II	\$120	\$125	\$130
	Amy Beauregard	Adam Altendorf	Jason Hayes		Josh Peterson	Anna Wald	Nick Joelson
	Anne Barich	Neil Hansen	Peter Book		Logan Yuretich	Nick Myre	
		Vienne Guncheon	Reed Fox				

Data Management I Professional I	\$115	\$120	Data Management II Professional I	\$125	\$130
	Alyssa Anderson	Cailin Phillips		Andrew Altobell	Mikayla Mellesmoen
	Dalton Auel	Christa Wood		Carrie Jensen	
	Jeff Bird	Jocelyn Bryant			
	Terri Sabetti	Kim Berry			
		Michael Bersin			

Professional II			
\$135	\$140	\$145	\$150
Craig Douglas	Corey Andrews	Allison Mattson	Jon Novak
	Dan Trygstad		Jerry Shepard
	Katrina Davis		
	Lisa Rudstrom		
	Meadow Kouffeld		

Professional III			
\$155	\$160	\$165	\$170
Scott Seeley	Dave Johnson	Evan Johnson	
	Frank Pezzutto	Karissa Vosen	
	Kurt Doran	O'Niell Tedrow	
	Pete Doran		
	Tracy Muck		

Professional IV			
\$175	\$180	\$185	\$190
Brandy Muhich	Jenny Holmes		Bruce Trebnick
			Craig Hartmann
			Doug Crum
			Rick Crum

Project Support
\$60
Alex Cook
Emily Kiminski
Justine Henry
Missy Wallner
Nicolle Schackman

