

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

Meeting Information

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

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

Approval of Agenda

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

Approval of Minutes

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

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

CONSENT AGENDA

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

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

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

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

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

Presentations

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

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

BOARD REPORTS:

Community Development Director – Betsy Olivanti

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

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

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

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

Finance Director-Treasurer Sheena Mulner

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

City Attorney – Andy Borland

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

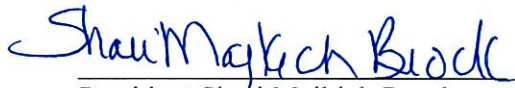
Member Hoffman Saccoman made a motion, supported by Member Cameron, to Approve Resolution 25-07-07 Authorizing the sale of 1111 7th Ave. East, Hibbing, MN 55746 for the appraised value of \$700,000 to JT Ventures LLC. Motion Carried.

CLOSED SESSION:

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

Adjournment

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


President Shari Majkich Brock


Community Dev. Dir. Betsy Olivanti