THE MINUTES OF THE SPECIAL MEETING OF THE HIBBING ECONOMIC DEVELOPMENT AUTHORITY
Tuesday, July 29, 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, Member Celia Cameron, and Member Mike Egan. 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 8:02 a.m.

APPROVAL OF AGENDA

Motion by Mayor Hyduke, supported by Member Cameron, to approve the agenda as presented. Motion Carried.

APPROVAL OF MINUTES

Motion by Member Schweiberger, supported by Vice President Jurenes, to approve the minutes of the regular meeting of the Hibbing Economic Development Authority for July 14, 2025. Motion Carried.

PUBLIC HEARINGS

A public hearing was held on the business subsidy request from Iron Range Management. No comments were made by the public.

Motion by Mayor Hyduke, supported by Member Hoffman Saccoman, to close the public hearing. Motion Carried.

The scheduled public hearing on the business subsidy request from Advanced Machine Guarding Solutions was not held, as it was deemed unnecessary on advice from Attorney Borland.

PRESENTATIONS

1. AMGS Expansion Project Update

John Maxwell and Jason Wobbema from AMGS presented an update on the expansion project. The update included a request for extending the project completion date to August 29, 2025, and additional financing for equipment and services. Specific items outlined were $300,000 in equipment financing, $5,200 for Widseth additional services, and $25,250 for BARR UL support services. The extension was required due to delays in construction due to weather, equipment installation, and project coordination.

2. Hibbing Parents Nursery School Relocation Update

Betsy Olivanti provided a summary of the relocation efforts for the Hibbing Parents Nursery School. She explained that the school was unable to attend due to childcare operations. The expenses presented included $29,978 in renovation costs and $8,233.20 in moving costs. Bids and quotes had been collected for items such as installation of an exterior door, playground fencing and landscaping, and moving logistics. The relocation is expected to be completed by the end of August.

3. 400 Block Redevelopment Project Q&A - Kilbourne Group

John Bougalis from City Hall Commons, a representative for the Kilbourne Group, presented their proposal for a six-story senior housing co-op project including 89 units and 12,000 square feet of retail space. The project requires 90% pre-sales of 79 units, 25 years of tax abatement, and HUD financing approval. Discussions with the board included financing structure, timing (18-month financing plus 20-month construction), and the retail space ownership structure. There were questions about unit costs ($370,000 per unit including commercial and parking), down payment expectations, and whether the retail component would impact housing affordability. The project would include underground parking and require strong city participation through TIF, including the maximum duration of the district.

4. 400 Block Redevelopment Project Q&A - Rebound Partners

Brett Reese of Rebound Partners presented their proposal for a four-story mixed-use building with 56 market-rate units and 17,000 square feet of commercial space. The timeline for financing and construction is projected at 24 to 26 months. The project includes private equity investment and state redevelopment support. Units would be targeted to a workforce demographic with rents ranging from $700 to $3,000 depending on size and amenities. Design elements would align with historical aesthetics, including terracotta accents and design references to City Hall. Rebound committed to partnering with local contractors and expressed readiness to proceed quickly within TIF certification deadlines. Rebound emphasized a quicker timeline (24–26 months), private equity involvement, TIF, and alignment with city planning goals.

DEPARTMENT AND COMMITTEE REPORTS

Community Development Director – Betsy Olivanti

Motion by Member Schweiberger, supported by Member Hoffman Saccoman, to approve renovation expenses for Hibbing Parents Nursery School in the amount of $49,978 and moving costs of $8,233.20. Motion Carried.

Motion by Mayor Hyduke, supported by Member Egan, to approve a business subsidy to Iron Range Management in the amount of $203,273.80. Motion Carried.

Motion by Vice President Jurenes, supported by Member Schweiberger, to approve a loan to Iron Range Management in the amount of $58,900. Motion Carried.

Motion by Member Hoffman Saccoman, supported by Mayor Hyduke, to approve a change order to the AMGS expansion project that includes:
- $300,000 equipment financing
- $5,200 Widseth additional services
- $25,250 BARR UL support services
- Extension of the project completion date to August 29, 2025

Motion Carried.

Discussion was held on the 400 Block Redevelopment Project. Community Development Director Betsy Olivanti summarized both proposals side-by-side, highlighting housing types, alignment with the 2023 housing study and strategic plan, alignment with the 2018 Comprehensive Plan, and the financial feasibility of each project. Board members discussed the importance of the TIF certification window and the timelines proposed by each developer—Kilbourne with an 18-month financing phase versus Rebound's 6–9 month timeframe. The board acknowledged both proposals were strong, but expressed concern over Kilbourne's longer HUD approval process and higher pre-sale threshold. Rebound's readiness to engage quickly, presence of private equity in the deal, and a shorter financing window were seen as more favorable for project viability. The board recognized that timely development of the 400 Block was critical to revitalizing the downtown area and triggering additional private investment. The urgency is further emphasized by the constraints of the Tax Increment Financing (TIF) district: once demolition begins, the city has only 36 months to certify the TIF district. If the project experiences delays in financing or construction, the district could expire before certification, jeopardizing its ability to generate increment and fund the gap. Board members noted that Rebound's shorter financing timeline would help mitigate this risk and allow the project to stay within statutory requirements. While an extension to the TIF certification window is technically possible, it would require formal legislative approval at the state level, introducing additional risk and uncertainty if delays occur.

Motion by Mayor Hyduke, supported by Member Hoffman Saccoman, to select Rebound Partners as the developer. Motion Carried.

Motion by Vice President Jurenes, supported by Member Cameron, to authorize staff to negotiate a development agreement with Rebound Partners. Motion Carried.

Finance Director-Treasurer – Sheena Mulner
No new items were presented.

City Attorney – Andy Borland
No new items presented.

ADJOURNMENT

There being no further items on the agenda, a motion by Mayor Hyduke, supported by Member Schweiberger, was made to adjourn the meeting. Motion Carried. The meeting adjourned at 8:50 a.m.

Shari Majkich Brock
President Shari Majkich Brock

Betsy Olivanti
Community Dev. Dir. Betsy Olivanti