



**HIBBING ECONOMIC DEVELOPMENT
AUTHORITY**
Regular Meeting
Tuesday, October 14, 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

Members may participate through remote technology

I. CALL TO ORDER:

II. ADDS AND DELETES:

III. APPROVAL OF THE AGENDA:

IV. APPROVAL OF MINUTES:

1. Approve the Minutes of the Hibbing Economic Development Authority Meeting of September 8, 2025.

V. CONSENT AGENDA:

1. Affirm the Economic Development Loan Fund account balance as of September 30, 2025 in the amount of \$1,462,899.56.
2. Approve disbursements for the month of September in the amount of \$30,242.84
 1. Fund 250 (HEDA ED/Rev Ln Fd) - \$10,717.25
 2. Fund 255 (HEDA General Fd) - \$3,140.70
 3. Fund 392 (TIF#12 DS Fd) - \$306.00
 4. Fund 418 (Downtown Capital Prjt Fd) - \$1,304.34
 5. Fund 440 (Tax Abatement Prjt Fd) - \$0
 6. Fund 422 (Deferred Loan Fund) - \$0
 7. Fund 610 (HEDA – 1111 7th Ave E) - \$14,774.55
3. Set the next regular Hibbing Economic Development Authority Meeting for Monday, November 10, 2025, at 5 p.m. in the Hibbing City Council Chambers.

VI. PRESENTATIONS:

1. Yoder Building Supply Project - Jerry and Trenda Yoder
2. Northland SBDC - Director Hagberg, K. Lahti
3. Hibbing Parents Nursery School Update - Sarah Krauth

4. AMGS Expansion Project Update - P. Gallagher, J. Wobbema

VII. DEPARTMENT AND COMMITTEE REPORTS:

1. Community Development Director Betsy Olivanti

- a. Approve RES-25-10-08 AUTHORIZING SUBMISSION OF A COMMERCIAL REDEVELOPMENT GRANT APPLICATION TO THE DEPT. OF IRRR FOR 1111 7TH AVENUE EAST
- b. Approve agreement with the Northland SBDC for FY2026 Technical Assistance in the amount of \$7,500
- c. Approve updated project budget for the Hibbing Parents Nursery School relocation project as presented.
- d. Approve RES-25-10-09 to authorize the purchase of 507 E Howard Street in the amount of \$500 from St. Louis County to facilitate the demolition of this dilapidated structure as part of the downtown rehabilitation program.
- e. Approve awarding the base bid for demolition of the 400 Block Demolition Project to Dore & Associates in the amount of \$648,700 and Bid Alt #1 for 507 E Howard St. in the amount of \$132,700. Bid Alt #1 is contingent on funding from the county/IRRR.
- f. Consider special HEDA meeting on October 28/29th

2. Finance Director-Treasurer Sheena Mulner

- a. HEDA Loans Update

3. City Attorney Andy Borland

- a. Update on Arrowhead Motorcycle Shop contents clean out.
- b. Approve RES-25-10-10 Calling for a Public Hearing on the Application of Yoder Building Supply For a Business Subsidy from the Hibbing Economic Development Authority

VIII. LOAN REQUESTS:

1. Approve RES-25-10-11 to subordinate HEDA note to additional SSB loan for Tromco

IX. DISCUSSION ITEMS:

1.
 - a. 400 Block Redevelopment Project Update
 - b. North Hibbing Industrial Park Shovel Ready Site Project Update
 - c. 2810 Diane Lane Site Shovel Ready Project Update
 - d. Deferred loan fund

X. ADJOURNMENT:

**THE MINUTES OF THE REGULAR AND WORKSHOP MEETING OF THE
HIBBING ECONOMIC DEVELOPMENT AUTHORITY
Monday, Sept. 8, 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, Member Jennifer Hoffman Saccoman, Member Celia Cameron and Member Mike Egan. Also present were Attorney Andy Borland, Finance Director Sheena Mulner, and Community Development Director Betsy Olivanti. City Administrator Greg Pruszinske was absent.

CALL TO ORDER: President Shari Majkich Brock called the meeting to order at 5:00 p.m.

Approval of Agenda

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

Approval of Minutes

Member Schweiberger supported by Member Cameron moved to approve the minutes of the regular meeting of the Hibbing Economic Development Authority for Aug. 11, 2025. Motion Carried.

CONSENT AGENDA

Member Hoffman Saccoman supported by Vice President Jurenes moved to approve the consent agenda as read and published. Motion Carried.

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) - \$1215,143.95
 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.

PRESENTATIONS:

- IRM Deferred Loan Request for Crown Ballroom Improvements — Andrew Hanegmon

Hanegmon requested a deferred loan to replace a 1921 freight elevator in the Crown Ballroom building. The goal is to bring the elevator up to code for material handling, providing access to two floors. The project is estimated to take six days and is planned for the current year. Hanegmon noted the high cost of alternatives (\$300,000-\$350,000) and the niche expertise required, explaining why only one quote was provided.

- Hibbing Heating and AC Revolving and Deferred Loan Request - Shawn Blight

Shawn & Crystal Blight, owners of Hibbing Heating & Air Conditioning, presented a request for a revolving and deferred loan to finance a roof replacement for their commercial building. They plan to complete the project this year.

- 1907 E 3rd Avenue Revolving and/or Deferred Loan Request - R. Lees

Rich Lees requested a deferred loan for major renovations to a recently purchased property at 1907 East 3rd Avenue. The project includes an exterior facelift with new stone and metal, roof repairs, and interior lighting upgrades. While the revolving loan application is incomplete, Lees indicated he might self-fund that portion to expedite the project. The renovation is expected to start this fall and create construction jobs.

- Hibbing Parents Nursery School Update - Pia Grozbach

Maria Anderson reported on the nursery's moving progress. They are packed but delayed by required construction, primarily the fire alarm system. They are awaiting a proposal from ESC Systems after a meeting on Sept. 13. Ingenuity is scheduled to start installing doors on Sept. 9, and groundwork for a required park is set to begin on Sept. 11. There were initial misunderstanding regarding the need for a \$6,500 code review, which was eventually completed by Widseth.

A final request was made to extend their lease through the end of October 2025 to accommodate potential delays with the fire system. A future request for additional funds is expected, as they have about \$23,000 left in their relocation budget. Despite challenges, the move to the new, improved location at Abundant Life Church is progressing.

- AMGS Expansion Project Update - Patrick Gallagher, KA

Patrick Gallagher provided a final update on the AMGS expansion. The project is in its last week with no safety incidents. Final equipment hookups for the powder coat system are expected by Sept. 19. The project has a temporary occupancy permit from July 14, 2025, with final occupancy anticipated by the end of September. The remaining budget for construction is \$594,403 and is 92% billed to the approved amount of \$7,953,491.06. Contingency balances were clarified, with a corrected design/HEDA contingency expenditures of \$391,624.16 as presented by staff. The construction contingency expenditures are \$390,379.62.

The project is on track for full finalization by Oct. 13. A ribbon-cutting ceremony is scheduled for Sept. 19, from 11:30 AM to 1:00 PM.

DEPARTMENT AND COMMITTEE REPORTS:

Community Development Director Betsy Olivanti

Member Schweiberger made the motion, supported by Mayor Huduke to approve first addendum to purchase agreement with JT Venture LLC for 1111 7th Ave. East, Hibbing, MN 55746. This extends the purchase agreement to reflect that the closing of this transaction shall take place on October 31, 2025.

Member Schweiberger made the motion to approve, supported by Vice President Jurenes to set the next regular HEDA meeting for October 14, 2025, at 5 p.m.

Mayor Hyduke made the motion to approve, supported by Member Hoffman Saccoman the HPNS request for lease extension through the end of October 2025.

Mayor Hyduke made the motion to approve, supported by Vice President Jurenes 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)

Finance Director-Treasurer Sheena Mulner

HEDA Loan Balances

Sheena reported that this month when we did the ACH for the loan payments and received one return draft, which was for Wicked Apothecary's COVID loan. She will work with the borrower to get caught up.

Loan documents were received back from Iron Range Management for the building on 4th Avenue East. He will begin to draw on that and he also executed the business subsidy for the project.

Cash balances in each fund:

Fund 250 (Revolving Loan) available to lend: \$1,058,161.49

Fund 420 (Storefront Loan) available to lend: \$215,516.13

Fund 422 (Deferred Loan) available to lend: \$87,613.73

The HEDA board will be considering some additional loans tonight, If those get approved, the balances will reduce accordingly.

City Attorney Andy Borland – no report

At Community Development Director Olivanti’s request, Borland provided an update on the Arrowhead Motorcycle Shop. The borrower/owner has yet to be served. This is holding up the RFP to sell the contents in the building. The Fire Department will train there soon. City Clerk/Dep. Admin Seppala has completed the efforts to return all consignment items, so all that remains is the former owner’s contents

LOAN REQUESTS

Mayor Hyduke made the motion to approve, supported by Member Egan for the IRM Deferred Loan Request for Crown Ballroom Improvements

The eligibility is investment in the building renovations to enhance the lifespan and assist with accessibility. The overall economic impact is that it will make some much-needed improvements to that iconic Howard Street building to enhance its lifespan and ensure that accessibility long-term. Staff recommendations are that a deferred loan will be 100% forgiven on the first day of the sixth year, provided the requirements for job creation/retention and building improvements have been met, the location property taxes and utility bills are current at the time of forgiveness as requested. HEDA will also be listed an additional insured on the business policy. Approved amount is \$6,183.00.

Member Egan made the motion to approve, supported by Hoffman Saccoman for the Hibbing Heating and Air Conditioning Revolving Loan Request

Revolving loan request for \$45,191.48 on a total project of \$135,588. Eligibility is within priority one: investment in building renovations to assist business owners for the rehabilitation of commercial properties. Analysis of repayment is that the business and the borrower's global income show ability to make the payments. They have the necessary skills to manage the renovation project and continue to make gains in their business financial performance. The recommended loan terms are at 3% for 10 years, interest only for six months, or full disbursement of the loan proceeds, whichever is sooner, disbursement of the loan proceeds with appropriate invoices for renovations on the subject property, listed as an additional insured on the business insurance policy, ACH payment required, and personal guarantee required based on the documents provided.

Vice President Stever Jurenes made the motion to approve, supported by Member Egan for Hibbing Heating and Air Conditioning Deferred Loan Request

Deferred loan request for \$45,191.48 on a total project of \$135,588. Eligibility is within priority one: investment in building renovations to assist business owners for the rehabilitation of commercial properties. Staff recommendations are that a deferred loan will be 100% forgiven on the first day of the sixth year, provided the requirements for job creation/retention and building improvements have been met, the location property taxes and utility bills are current at the time of forgiveness as requested. HEDA will also be listed an additional insured on the business policy.

Member Hoffman Saccoman made the motion to approve, supported by Member Cameron for 1907 3rd Ave Deferred Loan Request

The request for the loan is \$36,302.25. It will completely use up the rest of the funds in the deferred loan 402 fund. Eligibility is within priority one: investment in building renovations to assist business owners for the rehabilitation of commercial properties. Staff recommendations are that a deferred loan will be 100% forgiven on the first day of the sixth year, provided the requirements for job creation/retention and building improvements have been met, the location property taxes and utility bills are current at the time of forgiveness as requested. HEDA will also be listed an additional insured on the business policy. If Mr. Lees decides to self-fund the remainder of the project, finance staff will pay out 1/3 of all eligible expenses provided to ensure the leverage requirements (1:3) are met.

DISCUSSION ITEMS

400 Block Redevelopment Project Update – Director Olivanti is waiting for an update from LHB on the demolition project. They're getting dates on the bid timing, the hazmat mitigation and similar things. Betsy will get you a schedule sent out by email. The fire department has requested permission to flow

some water in there as part of their evolutions of training that was granted by LHB based on the condition of the building and those sorts of things. The goal is to deliver a 'clean slate' for the developer.

The demolition of the 507 East Howard building (the old Abel building) is being aligned with this project, aiming for demolition by the end of the year. As reported by staff prior, this building is becoming a health and safety hazard in the downtown and must come down. HEDA is partnering with St. Louis County on the project.

AMGS Expansion Project Update - was provided earlier in the meeting.

HEDA Meeting Schedule Review - Suggestion of meetings on the first or a third Tuesday at 5 p.m. was offered. This would avoid public utility meetings, which are second and fourth Tuesday, and align with council meeting weeks. Members are to give it thought and provide feedback via email to Betsy.

Discussion was held on the status of the Carey Lake Campground project and activities accomplished in connection to the significant Hilligoss Family Foundation donation. The project is no longer a HEDA project and was moved, over a year ago, to the City Services Director's purview. It is moving forward slowly due to limited funding available for the project. It was noted that funding for the campground was also received by the DNR and IRRR, and outside funding is still being pursued.

ADJOURNMENT:

There being no further items on the agenda, a motion to adjourn was made by Mayor Hyde and supported by Member Schweiberger. Motion carried and the meeting was adjourned at 6:04 p.m.

President Shari Majkich Brock

Community Dev. Dir. Betsy Olivanti

Loan Application for Hibbing Economic Development Authority

Business Name: Yoder Building Supplies
 Business Address: 1111 7th Ave E. Hibbing Mn 55746
Street City State Zip Code
 Business Phone: 218 263 3465

Name of Principal No. 1: <u>Trenda Yoder</u>	Name of Principal No. 2: <u>Terry Yoder</u>
Home Address: <u>40920 Winding Ridge Rd.</u> <small>Street</small> <u>Nashwanak Mn. 55769</u> <small>City State Zip Code</small>	Home Address: <u>same</u> <small>City State Zip Code</small>
Home Phone: <u>218 969 0497</u>	Home Phone: <u>218 969 1760</u>

Type of Business (LLC, Corp, Sole Prop): S Corp
 Date Established: Aug 2018
 Amount of financing request from Hibbing Economic Development Authority: \$ 250,000
 Total Project Costs: \$ 1,953,000

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: Trenda Yoder Title: CEO Date: 10/2/25
 Name: [Signature] Title: President Date: 10/2/25

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>22</u>	<u>5</u>	<u>23</u> based on 2024
Number of New Jobs Created	<u>-</u>	<u>-</u>	<u> </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>\$ 150,000</u>	Land/BLDG	<u>\$ 700,000</u>
Loan 1 (SSB)	<u>\$ 1,419,645</u>	Building Demo	<u>\$ 108,355</u>
Loan 2 (HEDA)	<u>\$ 250,000</u>	Equipment	<u> </u>
Loan 3	<u> </u>	Inventory	<u> </u>
Line of Credit	<u> </u>	Start-Up Costs	<u>\$ 50,000</u>
Grants (Demo & BER)	<u>\$ 133,355</u>	Goodwill Renovation	<u>\$ 1,066,645</u>
		Refinance Contingency	<u>\$ 28,000</u>
TOTAL	<u>\$ 1,953,000</u>	Working Capital	<u> </u>
		TOTAL	<u>\$ 1,953,000</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	<u>SSB</u>			<u>Y</u>
Loan 2				
Loan 3				

List of collateral and estimated values:

	Description	Value in \$
Item 1	<u>Inventory</u>	<u>1.4 million</u>
Item 2	<u>Equipment</u>	<u>378,000</u>
Item 3	<u>AR</u>	<u>792,246.36</u> *
Item 4		
Item 5		

YODER BUILDING SUPPLIES, INC.

Business Plan

September 2025

Trenda Yoder
301 19th Street East
Hibbing, MN 55746
Telephone: 218-969-0497
Email: trenda@yoderbuildingsupplies.com
Website: www.yoderbuildingsupplies.com



TABLE OF CONTENTS

- TABLE OF CONTENTS 2
- EXECUTIVE SUMMARY 3
- BUSINESS DESCRIPTION 3
- PROJECT GOALS 4
- SWOT ANALYSIS 4
- COMPETITIVE ANALYSIS 5
- CUSTOMER 5
- INDUSTRY CHARACTERISTICS AND TRENDS..... 6
- MARKETING CHECKLIST 8
- SUPPORT PROFESSIONALS 8
- FINANCIAL PROJECTIONS SUMMARY AND ASSUMPTIONS..... 8

EXECUTIVE SUMMARY

Brief Description of Project

Yoder Building Supplies plans to purchase and renovate a building at 1111 7th Avenue East in Hibbing, which will allow us to consolidate four leased Hibbing properties into one building that we own.

Project Timeline

We started pursuing this project in mid-2024. We hope to close on purchase of the building by the end of October 2025, then begin renovations. Our goal is to be completely moved by March 2026.

Funding Request from HEDA

\$250,000

Total Project Costs

\$1,875,000

BUSINESS DESCRIPTION

Description of Business

We are a building supply store located in Hibbing and Cohasset offering windows and doors, cabinetry, countertops, siding and stone, decking and railing, roofing and eaves, flooring and carpet, bathroom fixtures, lumber and supplies, moulding, and drafting and design. We are family-owned and operated, and we bring you the best in lumber and building materials. “Built on Quality, Service, and Selection.” Since 2021, Yoder Building Supplies has experienced significant growth, more than doubling revenues in just three years. In 2025, the company reached full capacity, with warehouse space maxed out and operational inefficiencies created by managing inventory across three separate locations. Consolidating Hibbing operations into the new facility will provide greater inventory capacity, streamlined inventory control, and centralized oversight of both materials and personnel. This efficiency will reduce time spent on moving and managing stock while creating space for expanded custom-order inventory. The result will position Yoder Building Supplies to sustain sales growth and scale its workforce in alignment with increasing demand.

Legal Organization

S Corporation established August 16, 2018

Ownership

Name	% of Ownership
Trenda Yoder	55%
Jerry Yoder	35%
Robin Yoder	5%
Patrick Yoder	5%

Employment

When we originally acquired Erickson Hardware in 2019, the business had 8 employees. Yoder Building Supply has grown to 27 employees and counting (22 full time permanent, 5 part time permanent).

Hours

7-4:30 Monday-Friday

Experience and Education

Jerry was a contractor for 30+ years prior to starting Yoder Building Supplies. Tenda has some college education, including accounting classes. Yoder Building Supplies has been in business for 6 years. We have owned and operated family businesses for almost 40 years.

Roles and Responsibilities

Tenda serves as CEO/CFO. She manages cash flow, payroll, and human resources. Jerry travels between our locations and oversees management of the whole company. Robin is in charge of inventory and manages the Hibbing location. Patrick is in charge of equipment and manages the Cohasset location.

PROJECT GOALS

Ensure that goals are S.M.A.R.T – specific, measurable, achievable, realistic, and timed

- Funding will be used to acquire and renovate the building at 1111 7th Avenue East in Hibbing.
- We would like to be moved in by March 2026.

SWOT ANALYSIS

Strengths within the company

- Family owned
- Full service (free delivery)
- Knowledgeable salespeople
- Personal, small business feel
- Quality material
- Offer drafting and design services

Weaknesses within the company

- Not able to buy as big of quantities
- May be slightly higher priced on some SKUs
- Hours of operation (we aren't open weekends and evenings)

Opportunities outside the company

- Cabin/Lake home market
- Small town trust/reputation

- Relationships with contractors and homeowners who prefer shopping small businesses instead of box stores

Threats outside the company

- Seasonal fluctuation in building
- Quality workers in a small town
- Being at the mercy of the local economy
- Weather-early, harsh, long winters

COMPETITIVE ANALYSIS

Our main competitors are big box stores, such as Home Depot, Lowes, and Menards

Strengths

- Variety of material and accessories in stock
- Open weekends and evenings
- Bigger buying power to keep prices low

Weaknesses

- Less knowledge about product
- No free delivery
- Picked through lumber
- Less ease of doing business
- Less personal

CUSTOMER

Demographics

Mix of contractors (80%) and homeowners (20%)

Psychographics

People who value customer service and quality materials

Geographic Area

100 mile radius of Grand Rapids and Hibbing

Potential Customer Base

There is a 2025 population of 536,158 in a 100-mile radius of Hibbing. Median household income is \$71,045. There are 310,329 housing units with 73.6% of them owner occupied. Median home value is \$295,629. Consumer spending data indicates that for this radius there is a total spending of \$179,825,535 annually on home maintenance and remodeling materials. (ESRI, 2025)

INDUSTRY CHARACTERISTICS AND TRENDS

Industry Characteristics

Building materials distributors facilitate purchasing relationships between manufacturers and thousands of contractors and resellers. As an integral part of the construction industry's supply chain, distributors maintain local inventory, provide technical expertise, and extend credit to customers, many of whom are small, independent contractors. Companies may bid on jobs by partnering with a contractor or submit quotes independently. Construction reports serve as a source of leads by providing job and bid information. Some distributors may also provide construction loans to building contractors who buy materials from them.

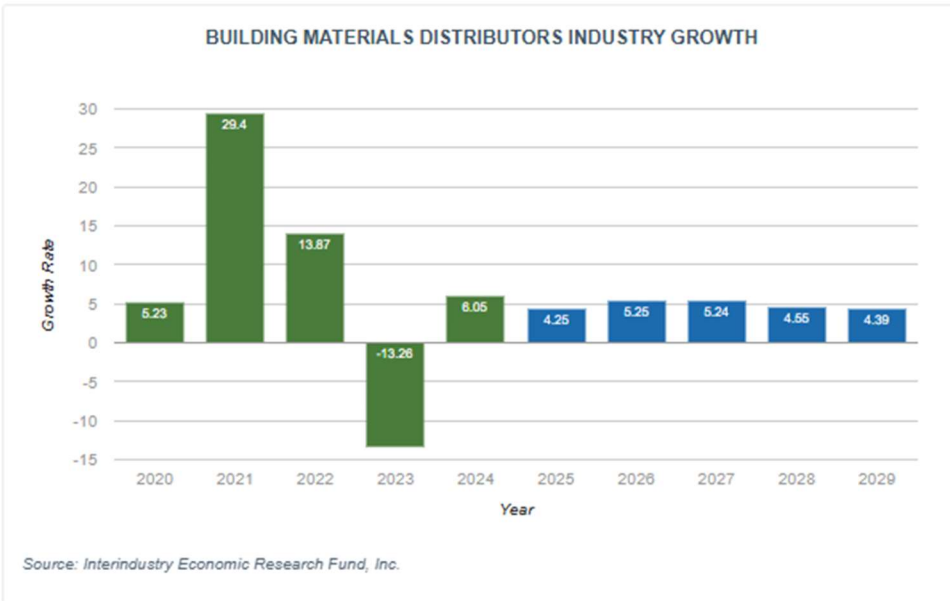
Inventory management varies, with companies offering different degrees of breadth and depth of product selection. Large distributors frequently carry tens of thousands of individual stock keeping units (SKUs) across numerous warehouses. Small companies may offer a wide selection of products within a market segment, such as roofing or tile. Maintaining adequate levels of inventory to ensure product availability and timely delivery to customers is a challenge. Most companies use computerized information systems to manage a variety of operational functions, including purchasing, receiving, order processing, shipping, and inventory management.

Most companies are small, independent distributors that serve a limited geographical market. Large companies typically have multiple distribution centers that serve customers within a designated radius. The design and layout of storage facilities varies, depending on the type of material. Companies typically store materials on racks and fill orders using forklifts. Certain types of materials, such as lumber and rebar, are typically stored outdoors. In most cases, companies provide delivery services to customer job sites. Delivery involves trucks, tractors, or trailers, depending on the size of an order. In some cases, delivery vehicles are equipped with forklifts, cranes, booms, or conveyors to accommodate rooftop jobs.

Sales staff manage relationships with customers, and may provide technical advice and assistance to customers throughout the construction process. Marketing vehicles include newsletters, direct mail, and Internet programs. Distributors may also promote products at trade shows.

Industry Forecast

Sales for the U.S. building materials distributors industry are forecast to grow at a 4.73% compounded annual rate from 2025 to 2029, faster than the growth of the overall economy.



Industry Trends

Lumber Prices Fluctuate

Commodity prices for lumber and wood products can change significantly from year to year. Lumber prices increased almost 18% in a single year and decreased over 9% in a year between 2014 and 2020, and increased 39.8% in 2021 before falling 1.3% in 2022, and 25% in 2023, and 1.5% in 2024. Lumber prices hit a record \$1,607 per thousand board feet in May 2021 due to soaring demand for new homes, a boom in DIY home renovation activities, and production and supply chain issues stemming from the pandemic. By mid-2024, lumber prices were just under \$500 per thousand board feet as high interest rates and home prices tempered demand for new homes.

Aging Homes Need New Roofs

As the US housing stock ages, demand for roofing materials grows. The median age of owner-occupied housing is about 36 years. Asphalt shingles, which are the dominate form of residential roofing, have an expected useful life of 15 to 20 years. Weather damage, such as that from hurricanes, and home improvement trends generate demand for re-roofing projects. In addition, re-roofing is sometimes associated with existing home sales, as sellers prepare homes for sale and new owners look to make renovations. Historically, the re-roofing market has been larger than the new roofing market.

Insulation Is Hot

Demand for insulation is projected to grow 6.4% annually through 2030, according to the Grand View Research. Growing consumer interest in reducing utility costs and changes to building codes are helping drive category growth. Installation of radiant barriers and reflective insulation, which help address constant exposure to sunlight common in the Southern and Western US, is projected to grow at above average rates. Demand for fiberglass siding and foamed plastic, the two most common forms of insulation, is also expected to be strong. Expanded polystyrene is expected to be the fastest-growing product category due to its low weight and minimal environmental impact. (Vertical IQ, 2025)

MARKETING CHECKLIST

Social Media

Facebook

Website

www.yoderbuildingsupplies.com

Radio

Occasional radio ads for special events

Newspaper

Occasional newspaper ads for special events

Television

WDIO ads throughout the year

Billboards

Billboards with Lamar advertising

SUPPORT PROFESSIONALS

Certified Public Accountant

Torie Arnoldy, Fort & Co

Attorney

Richard Prebich, Prebich Law Office

Bank

Jenn Ryan, Security State Bank

Insurance

Eric Carlson, Federated

Small Business Development Center Consultant

Katherine Lahti, Northland SBDC

Other

Michael Montgomery, Entrepreneur Fund

FINANCIAL PROJECTIONS SUMMARY AND ASSUMPTIONS

See accompanying spreadsheets.

	Detailed Expense Description	Funding Sources: Applicant	Funding Sources: IRRR	Funding Sources: SSB	Funding Sources: HEDA	Funding Sources: NF	Total Funding
Expense 1	Demolition	\$0	\$108,355	\$0	\$0	\$0	\$108,355
Expense 2	Renovation	\$0	\$25,000	\$791,645	\$250,000	\$0	\$1,066,645
Expense 3	FF&E	\$0	\$0	\$0	\$0	\$0	\$0
Expense 4	Contingency	\$0	\$0	\$28,000	\$0	\$0	\$28,000
Expense 5	A&E, Fees	\$0	\$0	\$50,000	\$0	\$0	\$50,000
Expense 6	Acquisition	\$150,000	\$0	\$550,000	\$0	\$0	\$700,000
Expense 7							\$0
Expense 8							\$0
Expense 9							\$0
Expense 10							\$0
							\$0
Total		\$150,000	\$133,355	\$1,419,645	\$250,000	\$0	\$1,953,000

applying for Commercial Redev (\$108,355)
applying for BER (\$25,000)

may pull NF in as a funder

Commercial Redevelopment (Demo)		
Contractor	Item	Cost
Lovdahl Electric	electrical demo	\$16,800
Hammer's Exteriors	roof demo and haul away	\$67,000
A-1 Refrigeration	furnace demo	\$9,555
Oak Construction	demo	\$15,000
	Total potential award	\$108,355
BER (energy efficiency) (covers 1/3 to \$25,000)		
Contractor	Item	Cost
A-1 Refrigeration	Replace 13 furnaces	\$182,000
	Total potential award	\$25,000

NORTHLAND

SMALL BUSINESS DEVELOPMENT CENTER

Vicki Hagberg – Regional Director

October 14, 2025



(218) 740-7307

info@northlandsbdc.org



REQUEST FOR SERVICES



HOME

ABOUT SBDC

BUSINESS GUIDANCE

GET TRAINING

BUSINESS RESOURCES

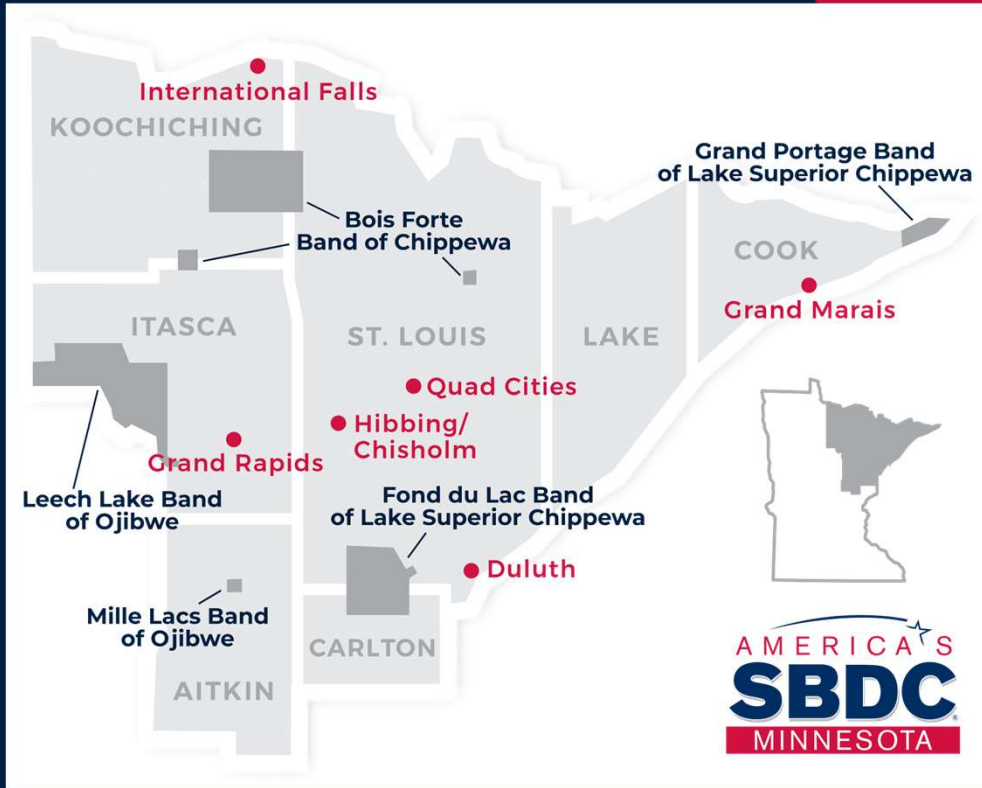


HELPING BUSINESSES START, GROW & SUCCEED

REQUEST FOR SERVICES

LEARN MORE





SIGN UP FOR NO-COST, CONFIDENTIAL CONSULTING

NorthlandSBDC.org

- ✓ Understanding Finances
- ✓ Describing Customers
- ✓ Identifying Competitors
- ✓ Developing a Business Plan
 - ✓ Financing a Business
- ✓ Buying or Selling a Business

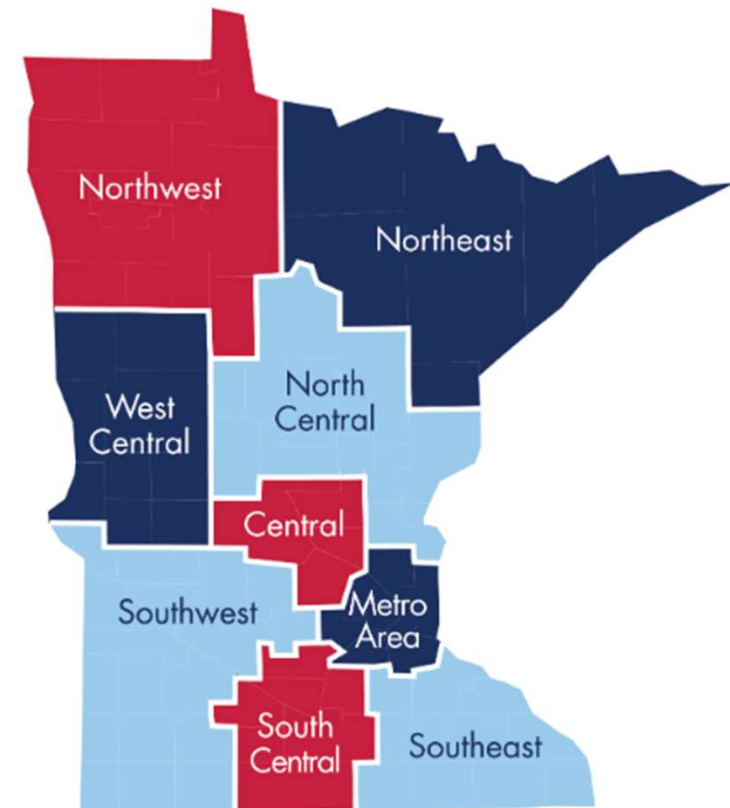
No-cost access to experts in:

- ✓ Marketing
- ✓ Human Resources
- ✓ Website Design/E-Commerce
- ✓ QuickBooks/Bookkeeping



SBDC PROGRAM HISTORY

- ✓ **Nationwide Program of SBA Administered Locally**
 - ✓ **Over 40 Years of Success in Minnesota**
- ✓ **Federal Grant Matched at least at 1:1 Local Funds**
 - ✓ **SBDC Centers Across MN Collaborate**
- ✓ **Major Funders Include State of MN, IRRR, NRRI, and Local Communities**
 - ✓ **Community funding support is critical for securing state and federal grant funds**
- ✓ **Northland SBDC performs in top 98% of SBDCs nationally on capital raised, business starts, and clients served on a per capita basis**



Northland SBDC Strategic Approach

**Technical
and
Community
Knowledge**

**Targeted
Training**

**Specialized
Technical
Assistance**

Behind the Scenes – Special Projects

- **Hibbing Business Edge** – Enhanced training on marketing and artificial intelligence
- **Accelerate Entrepreneurs** – Small grants for manufacturers investing in growth opportunities
- **HHS Entrepreneur Club** – Supporting the E-Club programming at HHS in partnership with HEDA, local businesses, and Hibbing Area Chamber
- **Childcare Partnerships** – Convening resource meetings for local childcare projects and supporting the overall childcare TA and grant ecosystem
- **MN Paid Leave** – Preparing to partner with DEED as an outreach and training provider for small businesses on Paid Leave



FY25 Regional Impact

FY2025 Regional Northland SBDC Business Impact

Capital Raised

\$63,198,202

New Business Starts

62

Clients Served

993

Jobs Created/Retained

3,042

Hours of Consulting

4,537

Includes only statistics validated by the business signing an attribution form for Northland SBDC

FY25 Hibbing Impact

FY2025 Hibbing Northland SBDC Business Impact

Capital Raised

\$803,698

New Business Starts

2

Clients Served

44

Jobs Created/Retained

538

Hours of Consulting

288

On pace to serve 50+ businesses and deploy over 330 hours of TA in FY26 as of 9/30/2025.

Hibbing Impact over Time

Year	Business Starts	Capital Raised	# of Clients	Client Hours	Cost of Services
FY23	3	\$15,938,025	45	332	\$56,440
FY24	3	\$12,322,854	38	161	\$27,370
FY25	2	\$803,698	44	288	\$48,960

*includes only milestones validated by clients. Cost of Services includes administrative costs to operate program and cost for regional economic development efforts incorporated into an average consulting cost per hour of \$170/hour.



Accessing No-Cost Services



Katherine Lahti

SBDC Business Consultant, Quad Cities/East Range

(218) 461-9951

✉ katherine@northlandsbdc.org



Vicki Hagberg

Regional Director

(218) 740-7313

✉ vicki@northlandsbdc.org

**Plus access to our team of 15
consultants across the region!**

Request for Services

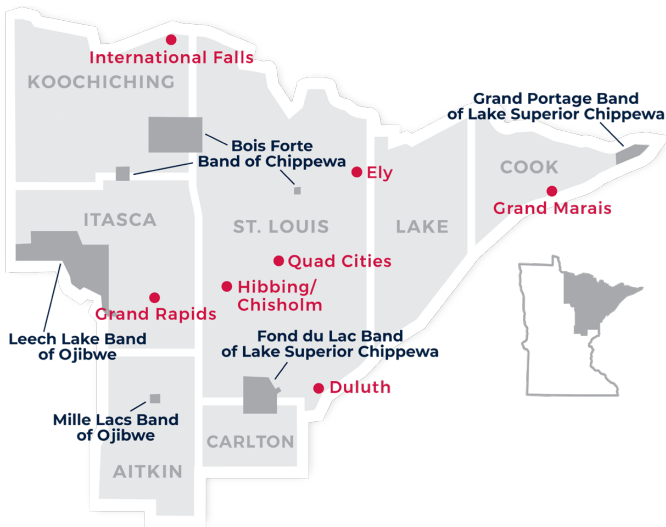
www.northlandsbdc.org



THANK YOU!



Northland Small Business Development Center Impact Report



HELPING BUSINESSES START, GROW & SUCCEED

The Northland Small Business Development Center (Northland SBDC) serves the Northeast Minnesota counties and all, or parts, of five Native nations with which we share geography. Our no-cost business guidance with professional SBDC consultants helps anyone seeking assistance to start, manage, or grow a business.

Capital Raised

New Business Starts

Clients Served

Jobs Created/Retained

Hours of Consulting

Connect Your Constituents to Northland SBDC!

Signing up for no-cost consulting services from Northland SBDC is easy! Entrepreneurs should visit our website northlandsbdc.org and click the red "Request for Services" button. After filling out a short form, they will be connected with a local consultant that can help provide a variety of small business technical assistance.

Northland SBDC can help businesses with these common topics and more:

Understanding Finances | Describing Customers | Preparing For Business Financing
Identifying Competitors Developing A Business Plan | Buying Or Selling A Business
Creating A Do-It-Yourself Website | Navigating Human Resources Topics
Developing A Marketing Plan | Learning To Use QuickBooks Effectively
Starting An E-Commerce Store | Identifying Local Grant & Gap Funding Options

Northland Small Business Development Center is funded in part through a Cooperative Agreement with the U.S. Small Business Administration, Minnesota Department of Employment and Economic Development and regional support partners. All opinions, conclusions or recommendations expressed are those of the author(s) and do not necessarily reflect the program sponsors. Programs are open to the public on a nondiscriminatory basis. Reasonable accommodations for persons with disabilities will be made if requested at least two weeks in advance. Contact us at (218) 740-7307.

HEDA Update - 10/08/2025

Dear HEDA Board,

We have made it to the home stretch! Our park landscaping and fencing is finished, our contractors are finishing up the doors that were required, and the fire alarm system is in the midst of being installed. We have the State Fire Marshal visit scheduled for October 22nd for a final inspection, the licensor visit is scheduled as well, for October 28th. We will be starting our move for the weekend of October 25th, so that everything is in place when the licensor comes. The remainder of the week, we will clear out the rest if needed.

What's left is scheduling the Building Inspector for his final inspection.

However, we are facing an incredible hardship for our business. On September 29th, ALL of our toilets started flooding. Clean, clear water coming up from the toilet bowls. Two days later it happened again. This time the flooding was more severe. We were ankle deep in water in one of our classrooms. The entire room was completely flooded, along with every other toilet flooding the bathrooms again as well. HPU came out, the City sent out a plumber, the entire building was being looked at, the crawl space was checked out, yet nobody seems to understand what is happening. October 13th, our school flooded twice in the same day, followed by more flooding the next day. We checked again and could not find a cause. Our water usage, according to HPU, is insanely high, yet we are not using any more water than we normally would. It was made clear to us that nothing is going to be done about it unless it comes out of our own pocket as the tenants. Of course that's not in our budget, but also they couldn't find a cause for why this is happening. We were left with no other option than to rent portable toilets.

This move has been nothing short of overwhelming and we are beyond excited to close this chapter and start anew at our new location.

We have exceeded our relocation funding from HEDA, but still need a couple of things approved, as listed on the spreadsheet I sent along to Betsy. I have signed three claims for the bills with the relocation specialist that was hired and am awaiting two more bills from our contractors, fire alarm system and the door installation. Since we have exceeded our HEDA relocation funds, I only claimed part of the fire alarm system installation.

Please note the attached spreadsheet for the funds needing approval and invoices that are signed and ready to be paid. I attached the invoices for your convenience.

Sincerely,

Pia Groszback, HPNS Staff and the HPNS Board of Directors

LEASE AGREEMENT

THIS LEASE AGREEMENT, made this 22nd day of May, 2025, between the HIBBING ECONOMIC DEVELOPMENT AUTHORITY("Landlord") and the HIBBING PARENTS' NURSERY SCHOOL AND DAYCARE, INC. ("Tenant").

RECITALS

1. Landlord has the unqualified right to grant a leasehold interest in the premises described in this Lease.
2. Tenant desires to lease from Landlord and Landlord is willing to lease to Tenant the premises described in this Lease, in accordance with and subject to the conditions of this Lease.

FOR AND IN CONSIDERATION of the mutual covenants contained in this Lease, Landlord and Tenant (the "parties") agree as follows:

Section 1. Lease of Premises. Landlord leases to Tenant and Tenant hires from Landlord the premises legally described as follows for the term described in Section 2:

The North 1/2 of the SW 1/4 of the SE 1/4, Section 18, Township 57 North, Range 20 West, that lies Easterly of the Easterly of REGISTERED LAND SURVEY NO. 79, a duly recorded survey, LESS AND EXCEPT the West 75.00 feet as measured at a right angle to the Easterly line of said REGISTERED LAND SURVEY NO. 79.
(Torrens)
Parcel Code: 140-0270-00855

Section 2. Initial Term. The Initial Term of this Lease shall commence on or about May 22, 2025, (the "Commencement Date") and end on July 31, 2025, (the "Expiration Date"), unless earlier terminated pursuant to the terms of this Lease.

Section 3. Base Rent.

- (a) It is agreed that the rent for the parcel as described in Section 1 (defined as base rent) shall be as follows:

\$0.00 per month commencing May 22, 2025, through August 29, 2025

- (b) As a separate rent, Tenant shall be responsible for all utilities to the premises.
- (c) If this Lease is terminated prior to the expiration date for reasons other than Tenants default and if the effective date of the termination is other than the last day of the month, base rent shall be pro-rated to the date of termination based on a thirty day month, and Landlord shall refund to the Tenant any base rent paid, but unearned as of the termination date.
- (d) Rent shall be paid to Landlord at the Clerk's Office of the City of Hibbing at such other address as Landlord may from time to time designate.

Section 4. **Extension of Initial Term.** Landlord and Tenant agree to negotiate in good faith the extension of this Lease Agreement prior to the expiration of the Initial Term.

Section 5. **Use.** Tenant's use of said premises shall be for a daycare.

Any other use of the property without the prior written consent of the Landlord shall be a violation of the terms of the contract. Tenant shall be responsible for obtaining all permits, certificates, licenses, easements, waivers, variances, approvals and applications necessary for Tenant's intended use of the premises.

Section 6. **Alterations.** During the initial term and any renewal term, Tenant shall not make structural alterations to the premises without Landlord's prior written consent. In making any approved alterations, Tenant shall do the following:

- (1) Notify Landlord at least thirty (30) days prior to commencement of the alterations;
- (2) Comply with all applicable local, state or federal laws, regulations, codes or ordinances affecting such alterations and the premises.

Any construction or alterations shall become part of the property of the Landlord. Tenant shall have the option of removing said constructed facilities so long as upon the removal of said improvements, they shall not damage the real property.

Section 7. Maintenance of Premises.

- (a) At its expense, tenant shall maintain in good condition the structure of the building, including the roof, drains, gutters, down spouts, foundation, load-bearing and exterior walls and shall also maintain the existing electrical systems serving the premises, up to the building and Landlord shall have no responsibility for same.
- (b) Tenant shall accomplish all maintenance for which it is responsible as soon as practicable.
- (c) Tenant shall be solely responsible for maintaining in good condition at its expense the interior of the premises, including but not limited to all equipment necessary for the operation of the facility, including the heating, ventilation and air conditioning systems, and shall perform any and all necessary and ordinary repairs and maintenance required for the normal operation of said equipment.
If following notice from Landlord, Tenant fails to make any necessary repairs or perform any necessary maintenance for which Tenant is responsible, Landlord may have such repairs or maintenance performed and Landlord's costs of doing so shall be payable as additional rent with the next due installment of base rent.
- (d) Tenant shall put and keep said premises continually in a neat, clean and respectable condition, including keeping the sidewalks in front and along said premises cleared of ice or snow or other obstructions or objectionable things, all ashes, garbage, and refuse of any kind to be removed at said Tenant's expense. Tenant agrees to pay for all water, sewer, janitorial disposal charge or rental or any other services used thereon during the period of this Lease.
- (e) Tenant agrees to shovel and keep free of snow and ice the area immediately surrounding the building.
- (f) Tenant is responsible for maintenance of the driveway and parking lot and for all lawn maintenance.
- (g) Tenant shall not have any obligation to proactively address issues which require maintenance at the time of executing this lease.

Section 8. Utilities. Tenant shall pay for all utilities and other services furnished to the premises.

Section 9. Signs. Tenant shall have the right to place exterior signs on the property subject to any applicable laws, codes or ordinances and

subject to any reasonable rules and regulations adopted for the property or the building by Landlord. Tenant shall be solely responsible for maintaining its signs in good condition and shall remove them and repair any damage caused by such removal on or before the Expiration Date (or the expiration date of the last renewal terms, as applicable).

Section 10. Landlord's Right of Access. Landlord and its authorized representatives shall have the right to enter the premises following at least 48 hours prior notice to Tenant during Tenant's regular business hours for the purpose of determining whether the premises are in good condition and whether Tenant is complying with its obligations under this Lease. Landlord retains the right to access adjacent property which may require easement through Tenant's leased area.

Section 11. Tenant's Indemnity. Tenant shall indemnify and hold Landlord harmless from and against all claims, actions, demands, judgments, damages, liabilities and expenses, including reasonable attorneys' fees, for death or bodily injury to any person or for loss of, damage to or destruction of any property arising from Tenant's occupancy, maintenance and use of the premises.

Section 12. Insurance. Tenant will be responsible for insuring its betterments, improvements, and business or personal property; and Tenant shall at its expense maintain in force during the initial term and any renewal term a policy of comprehensive public liability insurance insuring Tenant against liability arising from the Tenant's use, occupancy and maintenance of the premises and appurtenant areas. As soon as practicable Tenant shall file with Landlord a Certificate of Insurance providing that said policy cannot be canceled without at least thirty days notice to said Landlord, and shall provide certificates evidencing all renewals of said policies, Tenant shall be responsible for insuring the building and shall maintain in force during the initial term and any renewals a policy of comprehensive public liability insurance in an amount at least equal to its statutory limit of liability.

Section 13. Casualty. If the premises are partially damaged or rendered partially untenable by fire or other casualty, this Lease shall nonetheless continue in effect. Landlord shall not be liable to Tenant for any loss of use, loss of business, lost profits, expenses or other consequential damages.

Section 14. Default. The occurrence of any one or more of the following events (the "Events of Default") shall constitute a default and breach of this Lease by Tenant:

- (1) The permanent vacating or abandonment of the premises by Tenant for a period of 30 or more consecutive days;

- (2) In any calendar year the occurrence of more than two late payments of base rent or any other payment required to be made by Tenant under this Lease when due where such failure continues for a period of 30 days after receipt of written notice by Landlord to Tenant;
- (3) The failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by Tenant, other than the late payment of base rent, where such failure continues for a period of 30 days after receipt of written notice by Landlord to Tenant; provided, however, that if the nature of Tenant's obligation which it has failed to perform is such that more than 30 days are reasonably required for its cure, then it shall not be deemed an Event of Default if Tenant commences such cure within the 30 days period and diligently prosecutes the cure to completion. More than two of any such events within one calendar year shall be considered an event of default.
- (4) The making by Tenant of any general assignment or general arrangement for the benefit of its creditors, or the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt, or a petition or reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within 60 days), or the appointment of a trustee or a receiver to take possession of substantially all of Tenant's assets located in the premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within 60 days, or the attachment, execution or other judicial seizure of substantially all of Tenant's assets located in the premises or of Tenant's interest in this Lease, if such seizure is not discharged within the 60 days.

Section 15. Landlord's Remedies. If an Event of Default occurs, at any time after the occurrence, with or without additional notice or demand and without limiting Landlord's rights or remedies as a result of the Event of Default, Landlord may do the following:

- (1) Terminate Tenant's right to possession of the premises by any lawful means, in which case this Lease shall terminate, and Tenant shall immediately surrender possession of the premises to Landlord. In such event, Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of the Event of Default by Tenant including but not limited to the cost of recovering possession of the premises, expenses of reletting, including necessary renovation and alteration of the premises, reasonable attorneys' fees, real estate commissions actually paid, the worth at the time of award by a court having jurisdiction of the amount

by which the unpaid rent for the balance of the initial term (or the renewal term during which the Lease is so terminated) exceeds the amount of base rent for the same period which Tenant proves could be reasonable avoided by reletting of the premises or otherwise;

- (2) Maintain Tenant's right to possession, in which case this Lease shall continue in effect whether or not Tenant shall have abandoned the premises. In such event, Landlord shall be entitled to enforce all of its rights and remedies under this Lease, including the right to recover base rent as it becomes due; and
- (3) Pursue any other remedy available to Landlord under the laws of the jurisdiction in which the premises are located.

Section 16. Interest on Late Payments. In the event of the occurrence of late payments of base rent or other sums due to Landlord in any calendar year, such payment shall bear interest from the date due at the rate of ten percent (10%) per annum.

Section 17. Quiet Enjoyment. Provided it has paid all base rent due and is not otherwise in default, Tenant shall at all times during the initial term and any renewal term peaceably and quietly enjoy the premises without disturbance by Landlord or any person claiming under or through Landlord.

Section 18. Rules and Regulations. Upon written notice from Landlord, Tenant shall observe all reasonable rules and regulations which Landlord may from time to time promulgate with respect to the premises, provided that such rules and regulations do not negatively impact or unreasonably restrict Tenant's use of the premises.

Section 19. Assignment and Subletting. Tenant shall not transfer, assign, sublet or otherwise alienate its interest in and to the premises without first obtaining the written consent of Landlord except that Tenant may sublet to the City of Hibbing.

Section 20. Miscellaneous.

- (a) The parties agree that Landlord will pay any real estate taxes levied upon said property during the initial term of the Lease and that Tenant shall be responsible for all real estate taxes, assessments, other charges and impositions thereafter during any extended lease terms. Tenant further agrees to pay any and all assessments, other charges, and impositions of every kind in nature which may be hereafter levied, assessed or imposed upon said demised premises or upon any improvements thereof, and which may become due

and payable during the term of this Lease, all of which taxes or other charges or impositions shall be paid before penalty shall attach thereto.

- (b) Tenant also agrees at Tenant's own expense and cost to put and keep said premises in such condition that they will comply with all federal, state and municipal laws, charters, ordinances and regulations. Tenant shall not make any changes or improvements to the property without first obtaining the written consent of Landlord.
- (c) Tenant agrees that said Landlord shall not be liable for any loss or damage which may be sustained by said Tenant or others by the reason of freezing, bursting, overflowing or defect of any water, sewer, gas or steam pipes, heating systems, closets or sinks, in, on or about said premises or from premises overhead, nor for any loss or damage which directly or indirectly may be sustained by water, sewer or gas, nor for the loss or damage caused by water, ice, or snow from the roof, skylights, trap doors, or otherwise nor for the loss or damage by the reason of the present or future condition of the repair of said premises.
- (d) No assent, express or implied, by Landlord to any breach of any of Tenant's covenants, agreements, conditions or terms hereof shall be deemed or taken to be a waiver of any succeeding breach of any covenant, agreement, condition or term hereof.
- (e) This Lease shall inure to the benefit of and be binding upon each of the parties and their respective successors and assigns, but neither the rights nor the duties of either party under this Lease may be voluntarily assigned or delegated without the prior written consent of the other party, except that Tenant may assign all or any part of its right and delegate its duties under this Lease to a wholly-owned subsidiary.
- (f) All section headings and captions used in this Lease are purely for convenience and shall not affect the interpretation of this Lease.
- (g) All Exhibits described in this Lease shall be deemed to be incorporated in and made a part of this Lease, except that if there is any inconsistency between this Lease and the provisions of any Exhibit the provisions of this Lease shall control.
- (h) This Lease shall be deemed entered into within and shall be governed by and interpreted in accordance with the laws of the State of Minnesota and the parties submit to the jurisdiction of the St.

Louis County District Court located in Hibbing, Minnesota for adjudication of disputes arising from this Lease.

- (i) Except as otherwise provided, this Lease shall not be modified except by written agreement signed on behalf of Tenant and the Landlord by their respective authorized officers.
- (j) This Lease supersedes all prior understanding, representations, negotiations and correspondence between the parties, constitutes the entire agreement between them with respect to the matters described, and shall not be modified or affected by any course of dealing, course of performance or usage of trade.
- (k) If any provision of this Lease is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall in no way be affected or impaired.
- (l) This Lease may be executed in any number of counterparts and each fully executed counterpart shall be deemed an original.
- (m) All notices, approvals, requests, consents and other communications given pursuant to this Lease shall be in writing and shall be deemed to have been duly given when received if hand-delivered, sent by telex, sent by Federal Express service or sent by United States certified or registered mail, addressed as follows:

If to Tenant: Hibbing Parents Nursery School
 2810 Diane Lane
 Hibbing, MN 55746

If to Landlord: City of Hibbing
 Attn: Community Development Director
 401 East 21st Street
 Hibbing, MN 55746
- (n) Should Landlord's authorization be required under the terms of this Lease Agreement, it shall not be unreasonably withheld.
- (o) Should either party bring an action to enforce the terms of this agreement, the prevailing party shall be awarded reasonable costs and attorney fees.

[Remainder of page intentionally left blank.]
[See next page for signatures.]

IN WITNESS WHEREOF, the parties have signed this Lease on the dates first above written.

HIBBING PARENTS' NURSERY SCHOOL AND DAYCARE, INC.

BY: _____
Emily Willard
ITS: President

HIBBING ECONOMIC DEVELOPMENT AUTHORITY

BY: _____
Shari Majkich Brock
ITS: President

BY: _____
Steve Jurenes
ITS: Vice President

Master Project Budget

Owner: Hibbing Economic Development Authority (HEDA)
 Project: AMGS Manufacturing Facility
 Designer: Widseth and BARR Engineering
 Date: 14-Oct-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	

Advanced Machine Guarding Solutions



Rendering:



Actual Photo:



HEDA Board Progress Update

Monday, October 13, 2025





Agenda:

- 1.Safety**
- 2.Schedule**
- 3.Final Warranty Issues**
- 4.Project Budget Status**
- 5.Project Contingency Status**
- 6.Project Closeout and Savings “Give Back”**



Safety:

We have had zero OSHA citations, zero recordable and zero lost time incidents on this project.

Congratulations to a great safety conscious contractor team!

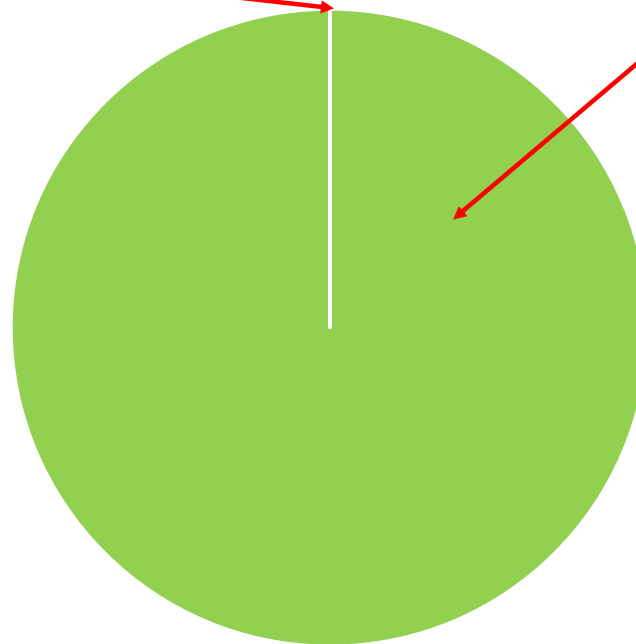


KRAUS-ANDERSON[®]

Project Schedule Status:

Duration Remaining:
(0%)

Duration Complete as of 13 OCT 25:
13 Months (100%)



■ Months Worked ■ Months Remaining

Project Schedule as of 13 OCT 25



Current Milestones:

- Final Electrical Inspection has been completed and signed-off.
- City of Hibbing **Final** Certificate of Occupancy issue scheduled with Pat Green for Wednesday 15 October 2025 -- after the owner provided Automated Oven revisions are made, reassembled and functioning.
- Final Closeout Documents and As-Built drawings submitted in late October 2025.
- **FINAL COMPLETION OF ALL WORK, BILLINGS AND FINANCIAL CLOSEOUT LATE OCTOBER 2025.**



Final Warranty Items:

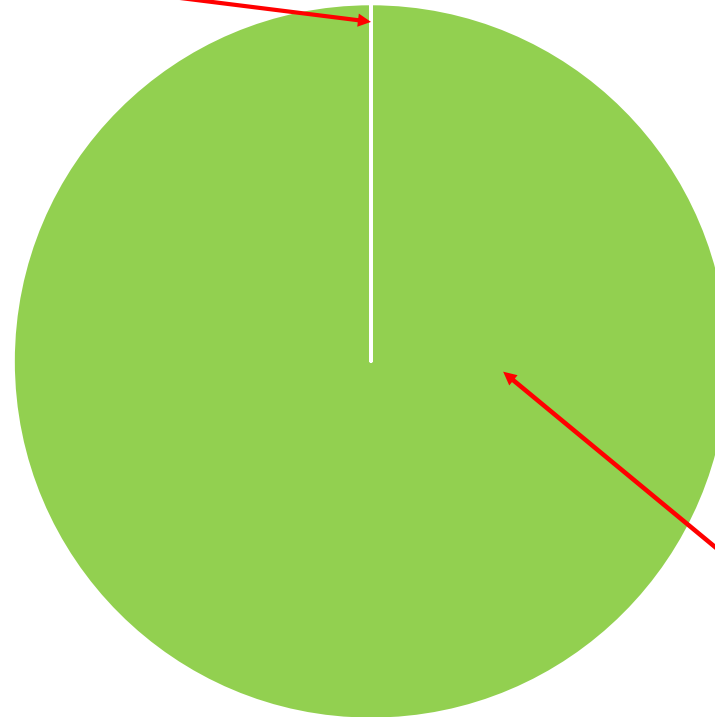
- **AMGS to have the automated oven up to temperature by Wednesday 15 October 2025, enabling Final Certificate of Occupancy sign-off.**
- **1 light pole not working. Soon to be resolved.**
- **Adjusting of the building sign light for better illumination to be completed.**
- **Back order of one 250 Amp and one 50 Amp bus duct circuit breakers to be installed when they deliver in December.**



KRAUS-ANDERSON®

Project Budget Status

Balance to Finish:
(0%)



Work Complete as of 13 OCT 25:
\$7,953,491.06 (100%)

■ Work Complete ■ Balance to Finish

- Pay Application #14 Thru 30 SEP 2025
- **Total KA Project Budget as of 13 OCT 25 = \$7,953,491.06**



KRAUS-ANDERSON®

Contingency Update 13 October 2025:

	Original Budget	Expenditures	Remaining Balance
Design and HEDA Contingency	\$548,942	\$ 391,624.06 (71%) Through CO #21	\$157,317.94 (29%)
KA Contingency & Scope Gap Coverage	\$682,950	\$395,191.62 (58%)	\$287,758.38 (42%)

Total Remaining Contingency Unused: \$445,076.32



Final Financial Status:

• Current Revised Contract Amount:		\$7,953,491.06
• Change Order #22: KA Savings Credit		(-\$ 483,618.43)
➤ Remaining KA Contingency Savings	\$287,758.38	
➤ Remaining KA General Conditions Savings	\$195,860.05	
		=====
Total Revised Contract – After Project Savings “Give Back”:		\$7,469,872.63



KRAUS-ANDERSON®

AMGS

Update Meeting

Questions?



KRAUS-ANDERSON®

AMGS

Update Meeting

THANK YOU!

**KA ENJOYED WORKING WITH SUCH A GREAT
TEAM, TO BRING JOBS TO THE IRON RANGE**



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	Owner costs budget
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	

At the regular Hibbing Economic Development Authority meeting held October 14, 2025, at 5:00 p.m., in the Hibbing City Council Chambers, Member [insert name] introduced the following Resolution and moved its adoption:

HIBBING ECONOMIC DEVELOPMENT AUTHORITY
ST. LOUIS COUNTY
STATE OF MINNESOTA

RESOLUTION NO. 25-10-08

RESOLUTION AUTHORIZING SUBMISSION OF A COMMERCIAL REDEVELOPMENT GRANT
APPLICATION TO THE DEPT. OF IRRR FOR 1111 7TH AVENUE EAST

WHEREAS, the Hibbing Economic Development Authority (HEDA) is assisting Yoder Building Supply with the purchase and redevelopment of the property at 1111 7th Avenue East, Hibbing, Minnesota; and

WHEREAS, Yoder Building Supply plans to transform the facility from a manufacturing building into a retail store, warehouse, and office facility, consolidating four leased Hibbing properties into a single owned site; and

WHEREAS, the project represents a \$1,925,000 private investment, will retain 27 permanent jobs, create 6 construction jobs, and will remove blight while opening prime downtown commercial space for new business activity; and

WHEREAS, the IRRR Commercial Redevelopment Grant program provides funding support to remove blight and enable redevelopment of commercial structures within communities such as Hibbing;

NOW, THEREFORE, BE IT RESOLVED BY THE Hibbing Economic Development Authority as follows:

1. Authorization: The Executive Director is hereby authorized to prepare and submit an IRRR Commercial Redevelopment Grant application in the amount of \$108,355 for the property located at 1111 7th Avenue East, Hibbing, Minnesota.
2. Purpose: Grant funds shall be used to offset the cost of demolition and site preparation necessary to redevelop the property for use as a consolidated showroom, retail store, warehouse, and office facility.
3. Support: The HEDA Board supports this request as a critical step toward enabling reinvestment in Hibbing's business district, retaining existing employment, and fostering new economic development.

The motion for the adoption of the foregoing Resolution was duly seconded by Member [insert name], and upon vote being taken, the following voted in favor thereof:

FOR:

AGAINST:

ABSTAIN:

ABSENT:

Adopted this 14th day of October, 2025.

HIBBING ECONOMIC DEVELOPMENT AUTHORITY

Shari Majkich Brock, President

Sheena Mulner, Deputy Clerk

**LETTER OF UNDERSTANDING
NORTHLAND SMALL BUSINESS DEVELOPMENT (SBDC) CENTER**

The Northland Foundation (NF) and its program Northland SBDC are partnering with the Hibbing Economic Development Authority (HEDA) and are entering into a collaborative agreement to support SBDC services in NE Minnesota. HEDA acknowledges the value of the SBDC services and wishes to partner with Northland SBDC and provide cash and/or in-kind support to ensure the continuance of the SBDC program and services to the businesses and entrepreneurs in the community and region. Northland SBDC provides direct services at no cost to entrepreneurs and business owners through face-to-face consulting, video conferencing, telephone conversations, and online communications.

HEDA will support the SBDC program in their community by providing \$7,500.00 during the 2026 fiscal year through June 30, 2026. This funding is to be remitted to the Northland Foundation on an annual or quarterly basis to continue to support direct technical assistance services.

Northland Foundation provides SBDC assistance to entrepreneurs and business owners in business issues including, but not limited to:

- Start-up assistance
- Business planning
- Feasibility analysis
- Strategic planning
- Marketing
- Technology – websites
- Search Engine Optimization (SEO)
- Financial/Cash-flow management
- Operational issues
- Succession planning

This agreement will be effective October 15, 2025.

Betsy Olivanti, Community Development Director
City of Hibbing
Hibbing Economic Development Authority



Vicki Hagberg
Northland SBDC

Date

10/15/2025

Date

HIBBING PARENTS NURSERY SCHOOL HEDA RELOCATION BUDGET								
Budget Amount	\$50,000.00							
Moving reimbursement	not capped							
Relocation Search Log	\$5,000.00							
Item Description	Bid 1 (lowest)	Company	Bid 2	Company	Notes	HEDA approved	Actual Cost	Reason, if higher than quote
Installing exterior door as required by licensing, installing interior double door to combine two rooms to expand teacher-child ratio similar to current space	\$13,889.00	Ingenuity Builders LLC	\$15,904.00	Aikey Contractors		<input checked="" type="checkbox"/>		
Playground fence quotes	\$8,510.00	A-1 Fence	\$9,315.00	A-1 Fence	Same company, but lowest bid is purchasing a new fence and have it installed instead of moving the current fence.	<input checked="" type="checkbox"/>	\$8,500.00	* Can be paid
Playground landscaping quotes (remove top soil, clear brush, add licensing required fill for fall safety)	\$7,579.00	Skidsteer Services Sikkila's Outdoor Services	NA		Only one quote, because of inability to find a company that can do the work in time	<input checked="" type="checkbox"/>	\$8,962.00	* Can be paid More work was needed for filling a sloped area
Building Code Review	\$6,500.00	Widseth	\$10,000.00	Miller Architects		<input checked="" type="checkbox"/>	\$6,500.00	* Can be paid
Fire Alarm System	\$17,773.17	ESC Systems	\$18,365.00	LVC	Fire Alarm System will exceed HEDA relocation budget. claiming a partial bill as discussed with Faye Gillespiel.	<input type="checkbox"/>	\$12,100.00	* Needs to be approved Partial bill claim due to exceeding HEDA funds
Total relocation cost thus far	\$54,251.17		\$53,584.00				\$36,062.00	
Moving Company Quotes	\$8,233.20	A-1 Movers Inc.	\$11,860.00	Two Men and a Truck		<input checked="" type="checkbox"/>		
Total moving cost	\$8,233.20		\$11,860.00			<input type="checkbox"/>		
Search Log Claim	\$5,000.00	* Needs to be approved, awaiting claim to sign from Relocation Specialist						

218 Fencing LLC

RECIPIENT:

Hibbing Parents Nursery

1637 East 40th Street
Hibbing, Minnesota 55746

Invoice #3

Issued Sep 30, 2025

Due Oct 30, 2025

Total \$8,500.00

Account Balance \$8,500.00

For Services Rendered

Product/Service	Description	Qty.	Unit Price	Total
Sep 30, 2025				
Galvanized Fence Installation	Installed 250ft of 4ft tall Galvanized Chainlink Fence. 1: 3ft 3in Gate included	1	\$8,500.00	\$8,500.00

Thank you for your business. Please contact us with any questions regarding this invoice.

Total \$8,500.00

Account balance \$8,500.00

Pay Now

WIDSETH SMITH NOLTING & ASSOC., INC.
 216 S MAIN ST
 CROOKSTON, MN 56716
 T. 218-281-6522

WIDSETH

INVOICE

Hibbing Parents Nursery School & Daycare
 1637 East 40th Street
 Hibbing, MN 55746

Invoice Number: 240375
 Date: September 23, 2025
 Project Number: 2025-11316

Hibbing Parents Nursery School & Daycare

For Professional Services Rendered Through: September 12, 2025

Fee Services

	Contract Amount	Percent Complete	Fee Earned	Prior Billings	Current Billings	
Hibbing Parents Nursery School & Daycare	\$6,500.00	100.00	\$6,500.00	\$0.00	\$6,500.00	
	\$6,500.00		\$6,500.00	\$0.00	\$6,500.00	\$6,500.00
				Invoice Total		\$6,500.00

Skidsteer Services - A branch of Sikkilas outdoor services			
4165 Hartman Road		Date: 7/15/25	
Mountain Iron, MN 55768		For: play area	
218-929-1166 - Zach Sikkila			
Final bill			
For: Hibbing parents nursery school			
Description	QTY	RATE	AMOUNT
Mowing tall grass on left side of lawn, marking 50'-60'-6" area for playground, digging out play area, hauling away dirt, putting down weed barrier and lawn edging, filling area with pea rock, filling machine ruts with black dirt and reseeding, everything as discussed.	1		\$3,495
Black dirt (yards)	6	\$70.00	\$420
Lawn edging	5	\$20.00	\$100.00
Weed barrier (square foot)	3300	\$0.30	\$990
Lawn edge stakes	120	1.00	\$120.00
Pea rock (yards)	85	\$45.00	\$3,825.00
Weed Barrier stakes	80	\$0.15	\$12.00
		Total with pea rock	\$8,962.00
Please write checks to Sikkila's Outdoor Services			
This is an estimated price. If more materials are needed price is subject to change. Any add on labor will be an extra charge. Thank you for considering us for your needs!			





October 10, 2025

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

CITY OF HIBBING HOWARD STREET 400 BLOCK DEMOLITION – RECOMMENDATION TO AWARD

The following report includes the bid tabulation results from the bidding process based on the contract documents issued, including addenda 1 and 2. The table outlines compliance in the submittal requirements, and those not in compliance are indicated with an asterisk (*) versus an X for compliance. Ten bids were received, and three were deemed non-responsive as submittal requirements were missing from the submittal and are reflected in the table below.

Dore & Associates of Bay City, MI is the apparent low responsive bidder and is LHB’s recommended contractor to receive the award of the project. LHB has been in contact with their representatives to confirm their understanding of the requirements of the Project Labor Agreement, Prevailing Wage, undocumented presence of hazardous materials for the St Louis County parcel at 507 Howard Street, schedule impacts of future development on the sites, maintenance of existing utilities, and traffic control infrastructure. They have confirmed they are a licensed General Contractor in the State of MN and are in good standing with the Secretary of State and Department of Labor. Their submittal included additional information on their company’s experience and resumes of key personnel. They are a specialty contractor across the Great Lakes Region for hazardous materials demolition and appear to be a qualified contractor for this scope of work.

LHB recommends awarding to Dore & Associates and is confident in their bid response and capabilities for the scope of work. Please see the table on the following page that documents the results of the bidding process.



Company	Base Bid Amount	Add 1 Bid Amount	Days to Complete	Signed	Received Addendums	Non-Collusion	Debarred	Responsible Contractor Certificate	List of Subs	Bid Bonds
Dore & Associates	\$648,700	\$132,700	180	x	x	x	x	x	x	x
Landwehr Construction	\$725,568	\$152,495	45	x	x	x	x	x	x	x
D&D Contracting LLC	\$834,210	\$175,188	40	x	x	x	x	x	*	x
Hosier Worldwide	\$916,301	\$179,300	212	x	x	x	x	x	x	x
Veit	\$921,489	\$288,300	240	x	x	x	*	x	x	x
George Bougalis and Sons Co	\$997,597	\$174,032	120	x	x	x	x	x	x	x
Urban Companies	\$1,069,000	\$470,000	*	x	x	x	x	x	x	x
Bougalis Inc.	\$1,104,480	\$232,945	250	x	x	x	x	x	x	x
Northern Contracting LLC	\$1,172,008	\$310,432	240	x	x	x	x	x	x	x
Lloyds	\$1,453,730	\$392,225	180	x	x	x	x	x	x	x

*Item not included in bid submission.

LHB, INC.



AARON D, KELLY, AIA

c: File
 LHB Project No. 250159

q:\25proj\250159\400 construction\bids\250159 hibbing howard street 400 block demo - bid results report.docx

Fund 250 - Industrial Development Loans		all HEDA loan payments had been suspended for 6 mos. From 4-1-2020 to 9-30-2020 due to COVID									
Borrower	Status	ACH?	Balance	Orig. Loan Amount	Pmt. Amt.	Int. Rate	Loan Date	End Date	Term (# Mo.)		
250-11955	Rock 'N' Rollers Salon LLC		17,902.89	Up to \$25,000		285.82	10/1/2015	1/1/2028	60	refinanced Jan., 2020	
250-11957	Rich & Sherri Lees/former Houghton Bldg		11,614.92	100,000.00		1,085.27	2/19/2016	8/19/2026	60	end date shown inc. moratorium	
250-11972	Dynamic Garage Door		15,790.81	40,000.00		404.98	2/28/2019	3/1/2029	120	mos.	
250-11973	RMB Environmental		123,251.80	250,000.00		2,989.51	3/8/2019	3/8/2029	2	Yr I/O + 8 Yr P&I	
250-11974	Moxie		1,942.27	10,000.00		184.17	3/25/2019	3/25/2025	1	Yr I/O + 5 Yr P&I	
250-11976	Yoder Building Supplies		86.83	50,000.00		518.19	4/17/2019	4/17/2029	10	YRS	
250-11977	Iron Range Plumbing		23,279.94	50,000.00		503.23	7/1/2019	7/1/2029	10	YRS	
250-11980	Range Steel Fabricators		40,915.72	81,900.00		829.20	10/8/2019	10/8/2029	10	YRS	
250-11987	Advanced Machine Guarding Solutions		218,970.75	250,000.00		2,414.02	12/4/2020	12/4/2030	2	YRS I/O + 8 YRS	
250-11989	Howard Court Salon Covid Loan		1,350.00	9,000.00		150.00	12/23/2020	7/1/2026		I/O Extended to December 2023	
250-11990	A-1 Refrig. Covid Loan		5,999.83	40,000.00		666.67	12/23/2020	7/1/2026	5	YRS no pymnt 1st 6 mos.	
250-11991	Lees Rentals Covid Loan		5,999.83	40,000.00		666.67	12/23/2020	7/1/2026	5	YRS no pymnt 1st 6 mos.	
250-11992	Mesaba Animal Hospital Covid Loan		5,999.83	40,000.00		666.67	12/23/2020	7/1/2026	5	YRS no pymnt 1st 6 mos.	
250-11993	Kitzville Body Covid Loan		5,999.83	40,000.00		666.67	12/23/2020	7/1/2026	5	YRS no pymnt 1st 6 mos.	
250-11994	Elks Lodge Covid Loan		1,666.50	10,000.00		166.67	2/2/2021	8/2/2026	5	YRS no pymnt 1st 6 mos.	
250-11995	Arrowhead Motorcycle Covid Loan		9,583.21	25,000.00		416.67	2/1/2021	8/1/2026	5	YRS no pymnt 1st 6 mos.	
250-11996	Lees 1818 E 3rd Old Range Cable		4,416.24	40,000.00		745.72	4/8/2021	4/8/2026	5	YRS	
250-11999	Lees 1809 E 3rd Hibbing Glass		4,416.24	40,000.00		745.72	4/8/2021	4/8/2026	5	YRS	
250-12000	Tromco Electric, Inc. Covid Loan		7,999.84	40,000.00		666.67	4/7/2021	10/1/2026	5	YRS no pymnt 1st 6 mos.	
250-12001	No.Star Dental		7,999.84	40,000.00		666.67	4/14/2021	10/1/2026	5	YRS no pymnt 1st 6 mos.	
250-12002	Eye Clinic North Covid Loan		9,999.85	40,000.00		666.67	7/8/2021	1/1/2027	5	YRS no pymnt 1st 6 mos.	
250-12004	Arrowhead Motorcycle Covid Loan		5,750.00	15,000.00		250.00	4/7/2021	10/1/2026	5	YRS no pymnt 1st 6 mos.	
250-12005	Moxie Covid Loan		14,571.24	40,000.00		666.67	4/23/2021	10/1/2026	5	YRS no pymnt 1st 6 mos.	
250-12006	Blue Moon Covid Loan		7,999.84	40,000.00		666.67	4/22/2021	10/1/2026	5	YRS no pymnt 1st 6 mos.	
250-12008	Tromco Equipment Loan		35,224.80	up to 50,000.00		564.04	4/23/2021	4/23/2031		I/O for 2 yrs, then amort. 8 yrs.	
250-12009	Sammy's COVID Loan		9,333.18	40,000.00		666.67	6/9/2021	12/1/2026	5	YRS no pymnt 1st 6 mos.	
250-12010	Eye Clinic North		223,339.48	250,000.00	\$416.67/\$2820.22 (begin 12/1/24)	2,000.00	10/17/2022	11/1/2032		I/O for 2 yrs, then amort. 8 yrs.	
250-12011	Hibbing Fabricators COVID Loan		9,999.85	40,000.00		666.67	7/26/2021	1/1/2027	5	YRS no pymnt 1st 6 mos.	
250-12012	Bach Yen COVID Loan		9,999.85	40,000.00		666.67	7/23/2021	1/1/2027	5	YRS no pymnt 1st 6 mos.	
250-12014	Benders COVID Loan		11,999.86	40,000.00		666.67	10/29/2021	4/1/2027	5	YRS no pymnt 1st 6 mos.	
250-12017	MCKB Properties LLC		14,456.86	40,000.00		701.11	3/17/2022	4/30/2027	5	YRS	
250-12018	Rudi's Pizza		12,972.12	50,000.00		876.39	12/8/2021	1/1/2027	5	YRS	
250-12019	Wicked Apothecary COVID Loan		6,930.00	18,000.00		300.00	2/15/2022	8/1/2027	5	YRS no pymnt 1st 6 mos.	
250-12023	Iron Range Makerspace		91,418.42	122,000.00	\$305.00/\$1,290.39	3.00%	10/14/2022	11/1/2032		I/O for 1 yr, then amort. 9 yrs	
250-12024	Freeds Fitness		38,442.72	50,000.00	\$125.00/\$528.85	3.00%	11/28/2022	12/1/2032		I/O for 1 yr, then amort. 9 yrs	
250-12025	Mike's Pub (Brianna Clemons)		38,482.06	50,000.00		482.80	2/6/2023	3/1/2033	10	YRS	
250-12026	Lees - 3923 First Avenue		31,708.79	40,000.00		386.24	5/15/2023	6/1/2033	10	YRS	
250-12027	Lees - 3904 13th Avenue East		31,708.79	40,000.00		386.24	5/15/2023	6/1/2033	10	YRS	
250-12028	Winchester LLC		41,825.71	50,000.00		504.61				I/O for 6 mos; then amort. 9.5 yrs	
250-12030	Iron Range Management LLC		141,465.83	149,000.00		1,438.76	7/26/2023	8/1/2033	10	YRS	
250-12031	Elevate Skin & Laser LLC (Stacy Tardy)		39,888.38	47,500.00	\$118.75/\$472.23	3.00%	9/14/2023	9/1/2033	10	YRS	
250-12032	LBR Assets, LLC (The Iron House)		87,618.25	100,000.00	\$250/\$1,009.21	3.00%	9/15/2023	9/1/2033	10	YRS	
250-12033	Iron Range Restaurants, LLC		122,474.78	126,000.00	\$893.91	3.00%				15 YRS	
250-12034	Red Rock Hotel		475,617.23	500,000.00	\$5,288.47	3.00%	4/4/2024	4/1/2034		I/O for 1 year; then amort. 9 yrs	
250-12035	Heartwood Center		71,274.96	75,000.00	\$554.77	4.00%	11/3/2024	10/3/2039		15 YRS	
250-12036	BGM, LLC (Mike's Pub)		43,803.12	50,000.00	\$504.61	3.00%				I/O for 6 mos; then amort. 9.5 yrs	
250-12037	Rich & Sherri Lees (Depot)		64,420.37	70,000.00	\$675.93	3.00%	12/1/2024	11/1/2034		10 YRS	
250-12038	Iron Range Management LLC		36,059.16	144,373.80	\$1,457.04	3.00%	7/1/2025	6/1/2035		I/O for 6 mos; then amort. 9.5 yrs	
250-12039	Iron Range Management LLC			58,900.00	\$147.25/\$622.98	3.00%	9/8/2025	9/1/2035		I/O for 12 months; then amort. 9 year	
250-12040	Hibbing Heating & A/C			45,191.48							
			2,243,972.62								

Fund 420 - Storefront		Borrower	Status	Balance	Orig. Loan Amount	Pmt. Amt.	Int. Rate	Loan Date	End Date	Term (# Mo.)
420-11981	Rich & Sherri Lees - 101 E HOWARD (BLUE MOON)		up to date	20,463.69	80,000.00		868.21	01/04/17-1/12/17	1/12/2022	60
				20,463.69						

Fund 422 - Deferred Loan Program		Borrower	Status	Balance	Orig. Loan Amount	Pmt. Amt.	Int. Rate	Loan Date	End Date	Term (# Mo.)
422-11901	Winchester LLC		1/5 Forgiven - met requirements for job creation/retention	36,000.00	45,000.00		0.00%	11/16/2023	11/16/2028	60
422-11902	BGM, LLC (Mike's Pub)		utilities are still past due - she's been paying PUC on written payment arrangement.	26,000.00	26,000.00		0.00%	11/21/2023		60
422-11903	TRM, Inc. (DBA Sammy's)		1/5 Forgiven - met requirements for job creation/retention	60,000.00	75,000.00		0.00%	1/23/2024		60
422-11904	Bender's		1/5 Forgiven - met requirements for job creation/retention	24,000.00	30,000.00		0.00%	4/22/2024		60
422-11905	Rudi's Pizza		fully drawn	40,000.00	40,000.00		0.00%	9/13/2024		60
422-11906	Rich & Sherri Lees - Andrew Mason Lees Bldg		fully drawn	75,000.00	75,000.00		0.00%	10/21/2024		60
422-11907	Sunrise Bakery		fully drawn	75,000.00	75,000.00		0.00%	2/14/2025		60
422-11908	Boomtown Brewery		fully drawn	100,000.00	100,000.00		0.00%			60
422-11909	Howard Court Properties LLC		fully drawn	61,429.20	61,429.20		0.00%	7/14/2025		60
422-11910	Iron Range Makerspace		recently rc'd docs		6,138.00					
422-11911	Hibbing Heating & Air Conditioning		recently rc'd docs		45,191.48					
422-11912	Lees - 1907 E 3rd Av		recently rc'd docs		36,302.25					
				497,429.20	515,060.93					

(A) Sum of Rich Lees loans	249,748.87									
Life Insurance contract	\$									
Outstanding loan balances	\$	(249,748.87)								
Excess (Deficiency) in Life Ins.	\$	25,251.13								
Fund 250 - HEDA economic dev/revolving fund										
Cash	\$	1,284,700.17								
Committed (Iron Range Mgmt)	\$	119,031.39								
Committed (Iron Range Mgmt)	\$	58,900.00								
Committed (Hibbing Heating & A/C)	\$	45,191.48								
Available to lend	\$	1,061,577.30								
Fund 420 - HEDA Storefront Reno Fund										
Cash	\$	216,384.34								
Committed (None)	\$									
Available to lend	\$	216,384.34								
Fund 422 (Deferred loan program)										
Cash	\$	87,631.73								
Committed (IRM)	\$	6,138.00								
Committed (Hibbing Heating & A/C)	\$	45,191.48								
Committed (Lees - 1907 E 3rd Av)	\$	36,302.25								
Available to lend	\$									

At the Commission meeting held October 14, 2025, at 5:00 P.M., in the Hibbing City Council Chambers, _____ introduced the following Resolution and moved its adoption:

RESOLUTION NO. 25-10-____

RESOLUTION CALLING FOR A PUBLIC HEARING ON THE APPLICATION
OF YODER BUILDING SUPPLIES INC. FOR A BUSINESS SUBSIDY
FROM THE HIBBING ECONOMIC DEVELOPMENT AUTHORITY

WHEREAS, Yoder Building Supplies Inc. has applied for a business subsidy from the Hibbing Economic Development Authority. JT Ventures is purchasing, and Yoder Building Supplies Inc. is renovating the building at 1111 7th Avenue East, Hibbing, Minnesota, with an anticipated completion by the end of March 2026. Said loan sought from HEDA is \$250,000.00; and,

WHEREAS, the Hibbing Economic Development Authority has determined based on the amount of the loan sought that this would be a business subsidy under Minnesota Statutes 116J.993 to 116J.995 and to comply with the requirements of that law; and,

WHEREAS, Minnesota Statutes 116J.993 to 116J.995 requires a public hearing and notice before granting a business subsidy.

NOW, THEREFORE, BE IT RESOLVED that the Community Development Director is authorized and directed to complete the public Notice, substantially in the form attached hereto as Exhibit A, and cause the Notice to be published in the official newspaper of the City at least ten (10) days prior to the date set for the public hearing.

The motion to adopt the foregoing Resolution was duly supported by _____, and upon being put to a vote, carried as follows:

FOR ADOPTION:

AGAINST ADOPTION:

ABSTAIN:

ABSENT:

Passed and adopted this 14th day of October, 2025.

I CERTIFY THAT the above Resolution was adopted by the Hibbing Economic Development Authority on October 14, 2025.

HIBBING ECONOMIC DEVELOPMENT AUTHORITY

By _____
Shari Majkich Brock
President

ATTEST:

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the Hibbing Economic Development Authority (the "HEDA"), will conduct a public hearing on _____, 2025, at __:__.m., or as soon thereafter as the matter can be considered, at the Hibbing City Council Chambers in the City Hall at 401 East 21st Street, Hibbing, Minnesota. The public hearing concerns the application of Yoder Building Supplies Inc. for a business subsidy from the HEDA. Yoder Building Supplies Inc. is renovating a building for its commercial business at 1111 7th Avenue East, Hibbing, Minnesota 55746. Yoder Building Supplies Inc. anticipates completing the renovation project by the end of March 2026.

Information about the business subsidy, including a summary of the terms of the subsidy, is available for review in the office of the secretary of the Hibbing Economic Development Authority, Room 301 in the City Hall.

At the public hearing, all interested parties may express their comments for consideration by the HEDA.

The Grantor of the Business Subsidy is HEDA. All persons who reside within the City of Hibbing or are owners of taxable property within the City of Hibbing may file a complaint with HEDA, if HEDA fails to comply with MN Stat. Sections 116J.993 to 116J.995. No action may be filed against HEDA For failure to comply with said statutes unless a written complaint is filed.

Following the public hearing the HEDA will consider approval of the business subsidy.

Dated: _____, 2025.

HIBBING ECONOMIC DEVELOPMENT AUTHORITY

By: _____
Greg Pruszinske
City Administrator

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the Hibbing Economic Development Authority (the "HEDA"), will conduct a public hearing on _____, 2025, at __:__.m., or as soon thereafter as the matter can be considered, at the Hibbing City Council Chambers in the City Hall at 401 East 21st Street, Hibbing, Minnesota. The public hearing concerns the application of Yoder Building Supplies Inc. for a business subsidy from the HEDA. Yoder Building Supplies Inc. is renovating a building for its commercial business at 1111 7th Avenue East, Hibbing, Minnesota 55746. Yoder Building Supplies Inc. anticipates completing the renovation project by the end of March 2026.

Information about the business subsidy, including a summary of the terms of the subsidy, is available for review in the office of the secretary of the Hibbing Economic Development Authority, Room 301 in the City Hall.

At the public hearing, all interested parties may express their comments for consideration by the HEDA.

The Grantor of the Business Subsidy is HEDA. All persons who reside within the City of Hibbing or are owners of taxable property within the City of Hibbing may file a complaint with HEDA, if HEDA fails to comply with MN Stat. Sections 116J.993 to 116J.995. No action may be filed against HEDA For failure to comply with said statutes unless a written complaint is filed.

Following the public hearing the HEDA will consider approval of the business subsidy.

Dated: _____, 2025.

HIBBING ECONOMIC DEVELOPMENT AUTHORITY

By: _____
Greg Pruszinske
City Administrator

BUSINESS SUBSIDY AGREEMENT

This Business Subsidy Agreement (the “**Agreement**”) is made effective as of _____ (“**Effective Date**”), by and between **Yoder Building Supplies Inc., a Minnesota corporation (hereinafter Yoder)**, having a principal place of business at 1111 7th Avenue East, Hibbing, Minnesota 55746, United States, and the **Hibbing Economic Development Authority**, an economic development authority existing under the laws of the State of Minnesota, having its principal address at 401 East 21st Street, Hibbing Minnesota 55746, United States (**hereinafter “HEDA”**).

WHEREAS, Yoder is seeking to renovate the property at 1111 7th Avenue East for Yoder Building Supplies Inc. in Hibbing, Minnesota; and,

WHEREAS, It is the hope that Yoder may have the building completed by the end of March 2026; and,

WHEREAS, Yoder received previous support from HEDA in the form of a Commercial Redevelopment Grant in 2023; and,

WHEREAS, Yoder has committed itself to this renovation but to complete the renovation Yoder needs substantial capital investment over and above what it currently has available; and,

WHEREAS, Yoder has represented that its completion of the new facility will substantially increase the tax base for the City of Hibbing and shall see to the retention of 27 jobs plus potentially increase 1 job position. Yoder estimates 6 new construction jobs will also be created; and,

WHEREAS, Yoder seeks financial assistance from HEDA , Security State Bank and IRRR for an amount in excess of \$1,803,000; and,

WHEREAS, Yoder is seeking financial assistance (the business subsidy) through Grantor (HEDA) from various sources through HEDA as follows:

- HEDA Loan for \$250,000.
- HEDA to apply to IRRR for and accept a \$108,355 Commercial Redevelopment Grant from IRRR

The funds as set forth above are all for the renovation of the building which Yoder will be able to occupy and run its commercial operations out of; and,

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

- 1) The project will not proceed in its present design and timetable without the business incentive.
- 2) The project increases the tax base within the City of Hibbing.
- 3) That Yoder has shown to the satisfaction of HEDA that it has adequate financing to complete the project and that the project will be completed in a timely fashion.
- 4) That Yoder's application meets the criteria under HEDA's/City of Hibbing's Business Subsidy Criteria as well as that set forth in Minnesota Statutes Section 116J.993.

WHEREAS, Yoder acknowledges that the Business Subsidy Agreement it is executing is subject to the loan guidelines of the Hibbing Economic Development Authority.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

- 1) That Yoder and HEDA will enter into this Business Subsidy Agreement in the amount of \$250,000.00.
- 2) That this loan meets the criteria of a public purpose in that it will provide for the increase in the tax base to the City of Hibbing and will retain all permanent positions and will create construction positions during the renovation process.
- 3) That Yoder shall be obligated to repay all of the business loans it is receiving that are a part of this Business Subsidy per the terms as set forth by the HEDA Board. Said business loan will include at minimum a note, mortgage, HEDA named as additional insured on business insurance policy as well as Yoder signing up for ACH payments and personal guarantees executed by owners of Yoder Building Supplies Inc.
- 4) That the parties agree that said subsidy is needed to help Yoder complete renovations of the premises at 1111 7th Avenue East, Hibbing, Minnesota 55746.
- 5) The parties agree that all wages paid by Yoder will be a livable wage (110% of the poverty rate for St. Louis County, Minnesota for a family of four) and further that Yoder will comply with all provisions in the Loan Agreement documents, a copy of which are attached hereto and made a part hereof.
- 6) That job creation for this particular project will be set at zero (0), however Yoder agrees that the employee level of Yoder Building Supplies Inc. shall not drop below their current levels which presently have a cumulative total of 27.
- 7) That Yoder, in consideration for said subsidy, agrees to maintain its operations within the City of Hibbing for at least five (5) years from the time said subsidy is provided.
- 8) That Yoder acknowledges that it has been advised that as a part of this Business Subsidy Agreement it has an obligation to provide reports to HEDA for a Business Subsidy and said forms are prepared by the Department of Employment and Economic Development.
- 9) That Yoder further agrees that if it fails to meet any of the criteria set forth above, HEDA has the right to call the whole amount due on his note immediately.
- 10) **MISCELLANEOUS:**
 - a) All notices from one party to the other required or permitted under this Agreement will be in writing, will refer specifically to this Agreement, and will be delivered in person, or sent by electronic or facsimile transmission for which a confirmation of delivery is obtained, or sent by registered mail or express courier services providing evidence of delivery, in each case to the recipient party's respective address set forth on the signature page hereof (or to such updated address as may be specified in writing to the other party from time to time). Such notices will be deemed effective as of the date so delivered or on the third business day following mailing.
 - b) Other than as expressly set forth in this agreement, Yoder makes no representation or warranty and hereby expressly disclaims any representation or warranty of any kind, express or implied.

Business Subsidy Agreement
HEDA - Yoder
2025-10-10

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

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

YODER BUILDING SUPPLIES INC.
 1111 7th Avenue East
 Hibbing, Minnesota

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

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

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



October 10, 2025

Attn: Betsy Olivanti
Hibbing Economic Development Authority
401 East 21st St.
Hibbing, MN 55746

RE: Tromco Electric, LLC (TROMCO) / Hibbing Economic Development Authority (HEDA) Note #250-12008 and Note #250-12000

Dear Ms. Olivanti,

The above-referenced obligations to TROMCO from HEDA are secured, in part, with subordinated mortgages on the property located at 1440 E. 34th Street, Hibbing, MN 55746 which houses TROMCO operations. Security State Bank intends to restructure the bank loan that is secured with a first position on this property thereby increasing our mortgage position to \$283,000.00 whereas our original mortgage was \$136,000.00. This will allow the bank to proceed with a restructure of existing debt with the intention of creating a more appropriate funding structure than that which currently exists.

Please contact me at 218.263.2224 with any questions you may have. As always, thank you and the other members of HEDA for your continued efforts to expand opportunities in our community.

Sincerely,


Jennifer L Ryan
VP/Senior Commercial Lender