

**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 Eagan. 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