

**THE MINUTES OF THE REGULAR AND WORKSHOP MEETING OF THE
HIBBING ECONOMIC DEVELOPMENT AUTHORITY**

Tuesday, Oct. 14, 2025

Meeting Information:

- Location: Hibbing City Hall Council Chambers
- Attendees: Present at roll call were 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, Community Development Director Betsy Olivanti and City Administrator Greg Pruszinske.

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

Approval of Agenda:

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

Approval of Minutes:

Member Schweiberger supported by Mayor Hyduke moved to approve the minutes of the regular meeting of the Hibbing Economic Development Authority for Sept. 8, 2025. Motion Carried.

V. CONSENT AGENDA:

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

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

- Jerry Yoder presented a project to purchase and consolidate Yoder Building Supply's operations into the former DMR building, located at 1111 7th Ave. E. The building is approximately 33,000 square feet. The goal is to improve operational efficiency by moving from multiple storefronts, some of which are leased since a previous building burned down, into a single, larger location.
- The total estimated project cost includes several major expenses.
 - Building Purchase: \$700,000
 - Remodeling & Upgrades:
 - General Remodeling: \$200,000
 - New Roofing: Approximately \$200,000
 - Heating Updates: Approximately \$180,000
 - Electrical & LED Lighting: \$105,000
 - New Security System: \$43,000
 - Paving: Approximately \$200,000
 - Fire Suppression System: Budgeted at \$200,000, but the actual cost is unknown.
- A funding request of \$250,000 is being made to the Hibbing Economic Development Authority to help move the project forward. Consolidating into one building is expected to increase sales by providing a more convenient, one-stop shopping experience for customers. The new location is considered more accessible for semi-trucks and trailers coming off the highway, improving logistics. The project is anticipated to lead to an increase in employment as sales grow.
- The current purchase agreement for the building extends through the end of October.
- Due to the requirement for a public hearing regarding this business subsidy request, along with considering a request to extend the purchase agreement deadline if an extension is needed, a special HEDA meeting in the last week of October may be required.

2. Northland SBDC - Director V. Hagberg, K. Lahti

- Provides no-cost services to entrepreneurs, including assistance with business plans, cash flow projections, and navigating financing. The SBDC also offers specialized training in marketing, human resources, e-commerce, QuickBooks, and is developing new resources for artificial intelligence (AI).
- The SBDC's budget is supported by a federal grant that must be matched with state and local funding. Sources for matching funds include state grants, local communities like Hibbing, the IRRR, and foundations such as Target Foundation, Wells Fargo, and

Huntington. On a per capita basis, the Northland SBDC outperforms every other state network in the nation in terms of capital raised and clients assisted.

- Regional Impact (Past Year): The SBDC helped raise over \$60 million in capital and served nearly 1,000 clients. New business starts declined from approximately 80 to 60, reflecting a shift toward business retention. Hibbing Impact (Past Year): served 44 clients, delivered almost 300 hours of consulting, and assisted in securing just under \$1 million in capital and two new business starts. Hibbing Projections (Current Year): The SBDC is on pace to serve over 50 businesses and provide over 330 hours of technical assistance. The Hibbing Business Edge program is expected to increase total assistance to over 500 hours.
- The SBDC requested \$7,500 in funding, the same amount it has received for the past three or four years. This local investment is crucial for demonstrating community buy-in, which helps the SBDC secure larger grants ranging from \$200,000 to \$300,000.
- The top five industries served in Hibbing are construction contractors, lodging and hospitality, childcare, and personal care services like salons.

3. Hibbing Parents Nursery School Update - Sarah Krauth

- Move-In and Final Inspections
 - The nursery school's first day in the new facility is scheduled for November 3rd.
 - The week prior will be dedicated to moving.
 - Final inspections are required from the state, the fire marshal, and the building inspector before opening.
- Project Status and Need
 - The fence installation, landscaping, fire detection system, and all doors are complete, with only minor painting remaining.
 - The move is considered essential due to severe, unexplainable flooding and water issues at the current Jefferson building, which has forced the use of a porta-potty until the move.
- Capacity and Future Growth
 - The new location will allow an increase in toddler capacity from five to nine.
 - Preschool and school-age slots will not increase at this time.
 - A future addition planned by the Abundant Life Church may allow for further expansion.
- Parent Involvement and Budget
 - Current families are supportive of the move and are actively helping with packing and setup.
 - The board was asked to approve invoices for finished construction, fencing, and landscaping.

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

- Project Completion and Safety
 - The project is 100% complete, with zero OSHA violations and zero lost-time accidents.
 - The final certificate of occupancy inspection is scheduled for tomorrow at 9 a.m.
- Financial Summary
 - The original overall budget was \$7,953,491.
 - The project returned a total of \$445,576 in contingency funds and bid gap coverage.
 - An additional \$195,860 was saved in general conditions.
 - The final contract value is 7,469,972.63
 - This does not include the owner's contingency or any other soft cost savings.
- Operational Status
 - The facility made its first shipment last Friday.
 - The new machines are operational and are producing approximately seven times more product.
- Minor Remaining Items
 - One light pole is not working.
 - The building sign needs lighting readjustment.
 - Two breakers need to be installed

VII. DEPARTMENT AND COMMITTEE REPORTS:

1. Community Development Director Betsy Olivanti

- A. Mayor Hydeke with the support of Member Hoffman Saccoman motioned to adopt RES-25-10-08 AUTHORIZING SUBMISSION OF A COMMERCIAL REDEVELOPMENT GRANT APPLICATION TO THE DEPT. OF IRRR FOR 1111 7TH AVENUE EAST in the amount of \$108,355. Motion carried.
- B. Vice President Jurenes supported by Member Cameron motioned to approve an agreement with the Northland SBDC for FY2026 Technical Assistance in the amount of \$7,500. Motion carried.
- C. Mayor Hydeke supported by Member Schweiberger motioned to approve the updated project budget for the Hibbing Parents Nursery School relocation project as presented. Motion carried.
- D. Member Hoffman Saccoman supported by Member Egan motioned to adopt 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. Motion carried.
- E. Mayor Hydeke supported by Member Schweiberger motioned to 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. Motion carried.

- A question was raised regarding the notification process for neighboring businesses and apartments about an upcoming demolition. A commitment was made to provide information on the standard procedures for notifying affected parties, which are handled by the engineering and planning departments. It was noted that the city has been cooperating with Trellis and their contractors, allowing them to use the sidewalk and the 4th Avenue side of the building.

F. Mayor Hyde supported by Member Schweiberger motioned to set a special HEDA meeting for 8 a.m. Tuesday, Oct. 28. Motion carried.

2. Finance Director-Treasurer Sheena Mulner

A. HEDA Loans Update:

○ Loan Statuses:

- Rock and Rollers: A payment of \$300 was received on Sept. 10.
- Yoder: A significant payment was made, leaving a balance of \$86.83 which is expected to be paid in full next month.
- Arrowhead Motorcycle: The board is awaiting the results of inventory bids, due October 17, to apply towards the outstanding balance on the loan. Following that, the board will have to determine next steps for the remaining balance.
- Iron Range Management: The current loan balance is \$36,059.16. Documents for an additional loan of \$58,900 are complete, but draws will be made on the first loan until it is fully utilized.
- Hibbing Heating and Air Conditioning: Loan documents are currently being executed.
- Mike's Pub: The write-off of a deferred loan is on hold as the business has about one month's worth of arrears on its utility bill.

○ Fund Balances:

- Fund 250 (Revolving Fund): Has approximately \$1,204,000 in cash, with about \$1,061,000 available to lend.
- Fund 420: Has \$215,000 in cash with no funds committed.
- Deferred Loan Program (Fund 422): The fund is fully depleted and has no balance left to lend.

3. City Attorney Andy Borland

A. Update on Arrowhead Motorcycle Shop contents clean out.

- A notice was sent via certified mail to the last known address for Arrowhead regarding the bid opening for the abandoned premises' contents, scheduled for the upcoming Friday.
- B. Mayor Hydeuke supported by Member Cameron motioned to adopt 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 to be heard at the special meeting on Oct. 28. Motion carried.

VIII. LOAN REQUESTS:

1. Member Egan supported by Vice President Jurenes motioned to adopt RES-25-10-11 to subordinate HEDA note to additional SSB loan for Tromco. Motion carried.
 - This subordinates HEDA's mortgage to a new, larger mortgage of \$283,000, increased from the original \$136,000. HEDA is not lending any additional funds.

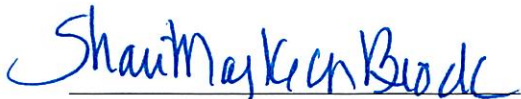
IX. DISCUSSION ITEMS:

The following discussion items were deferred to a forthcoming email from Community Development Director Betsy Olivanti due to city council members' obligation to be at another meeting.

- 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:

There being no further items on the agenda, a motion was made by Mayor Hydeuke and supported by Member Egan to adjourn the meeting at 6:07 p.m. Motion carried.



President Shari Majkich Brock



Community Development Dir. Betsy Olivanti