



**HIBBING ECONOMIC DEVELOPMENT
AUTHORITY**
Regular Meeting
Monday, November 10, 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:

1. ADDs: Department & Committee Reports #1g

III. APPROVAL OF THE AGENDA:

IV. APPROVAL OF MINUTES:

1. Approve the Minutes of the Hibbing Economic Development Authority Special Meeting of October 28, 2025.

V. CONSENT AGENDA:

1. Affirm the Economic Development Loan Fund account balance as of October 31, 2025 in the amount of \$1,499,744.72.
2. Approve disbursements for the month of October in the amount of \$311,315.75
 1. Fund 250 (HEDA ED/Rev Ln Fd) - \$28,755.40
 2. Fund 255 (HEDA General Fd) - \$55,914.32
 3. Fund 392 (TIF#12 DS Fd) - \$442.50
 4. Fund 418 (Downtown Capital Prjt Fd) - \$456.00
 5. Fund 440 (Tax Abatement Prjt Fd) - \$0
 6. Fund 422 (Deferred Loan Fund) - \$0
 7. Fund 610 (HEDA – AMGS) - \$225,747.53
3. Set the next regular HEDA Meeting for Monday, December 8, 2025 at 5 p.m. in the Hibbing City Hall Council Chambers.

VI. PRESENTATIONS:

1. Parking & Traffic Study Presentation - TC^2
2. Loan Request for 2012 1st Avenue - Bulanja Investments

3. Subordination Request for 3920 13th Ave. East - R. Lees

VII. DEPARTMENT AND COMMITTEE REPORTS:

1. Community Development Director Betsy Olivanti

- a. Lease extension request from Hibbing Parents Nursery School for storage.
- b. Lease agreement with Yoder Building Supply for 1111 7th Avenue E, Hibbing, MN 55746
- c. Loan request from Bulanja Investments for 2012 1st Ave., Hibbing, MN 55746
- d. Request for subordination from Park State Bank for Rich and Sherri Lees for 3920 13th Ave, Hibbing, MN 55746
- e. 400 Block Demolition Project Update - Staff report
- f. Approve agreement with AMGS to secure equipment for expansion project funded by \$500,000 of IRRR building loan.
- g. Approve the Legal Services Agreement between the Hibbing Economic Development Authority and Sellman Borland & Simon PLLC primarily attorney Andy Borland for 2026

2. Finance Director-Treasurer Sheena Mulner

- a. HEDA Loan Balances
- b. Deferred Loan Program - Staff report

3. City Attorney Andy Borland

VIII. LOAN REQUESTS:

IX. ADJOURNMENT:

**THE MINUTES OF THE SPECIAL MEETING OF THE
HIBBING ECONOMIC DEVELOPMENT AUTHORITY
Tuesday, Oct. 28, 2025, at 8 a.m.**

CALL TO ORDER: President Shari Majkich Brock called the meeting to order at 8 a.m.

ROLL CALL ATTENDANCE:

Present: Member Celia Cameron (in-person), Vice President Steve Jurenes (in-person), Member Jennifer Hoffman Saccoman (remote), President Shari Majkich Brock (in-person), Mayor Hyduke (in-person), Member Mike Egan (in-person). Also present were Attorney Andy Borland, Finance Director Sheena Mulner, Community Development Director Betsy Olivanti and City Administrator Greg Pruszinske.

Absent: Member John Schweiberger

The special meeting location was 401 E 21st Street, Hibbing, MN 55746; the meeting was held in accordance with Minnesota's Open Meeting Law, and remote participation was permitted as noticed.

APPROVAL OF AGENDA:

Item 1 D was deleted from the agenda. Remainder of the agenda was approved with a motion by Mayor Hyduke and supported by Member Eagan.

President Majkich Brock asked for a roll call vote.

The results were as follows:

Member Celia Cameron (in-person) - Aye

Vice President Jurenes (in-person) - Aye

Member Jennifer Hoffman Saccoman (remote) - Aye

President Shari Majkich Brock (in-person) - Aye

Mayor Hyduke (in-person) - Aye

Member Mike Egan (in-person) - Aye

The motion carried by a vote of 6 Ayes, 0 Nay

APPROVAL OF MINUTES:

Vice President Jurenes, supported by Member Cameron, moved to approve the minutes of the regular meeting of the Hibbing Economic Development Authority for Oct. 14, 2025.

President Majkich Brock asked for a roll call vote. The results were as follows:

Member Celia Cameron (in-person) - Aye

Vice President Jurenes (in-person) - Aye
Member Jennifer Hoffman Saccoman (remote) - Aye
President Shari Majkich Brock (in-person) - Aye
Mayor Hyduke (in-person) - Aye
Member Mike Egan (in-person) - Aye
The motion carried by a vote of 6 Ayes, 0 Nay

IV. PUBLIC HEARING:

1. Convene the public hearing scheduled for this time to consider the application of Yoder Building Supplies, Inc. for a business subsidy from HEDA.

Jerry Yoder gave a brief overview of the project. Then, Mr. Yoder and Jennifer Ryan of Security State Bank (SSB) fielded questions from the HEDA board about the timing of the project and financing. Both stated that is contingent upon the SBA 504 loan that is being held up, calling it a glitch now that the federal government is currently shutdown. Ms. Ryan stated her best guess would be that the application would be approved about one month after the government reopens.

In the meanwhile, the Yoders would like to get into the building and start renovations, which prompted the question of a lease for the building at 1111 7th Ave, Hibbing, MN 55746. Olivanti stated she plans to work with them on drafting a lease and bring it before HEDA in November. Yoder stated he's looking for a "simple lease."

Olivanti noted the business subsidy agreement was on the agenda with additional lending from SSB and the potential of a IRRR grant (which has been applied for), bringing the project to just under \$2 million with the retention of 27 and the potential increase of 1 job. She described it as a good investment in that building, adding that it will be put back on the tax rolls.

Yoder said he plans to consolidate all of his operations to the Hibbing site, including bringing his staff from Cohasset.

No other comments or speakers. Mayor Pete Hyduke, supported by Member Egan, moved to close the public hearing.

President Majkich Brock asked for a roll call vote. The results were as follows:

Member Celia Cameron (in-person) - Aye
Vice President Jurenes (in-person) - Aye
Member Jennifer Hoffman Saccoman (remote) - Aye
President Shari Majkich Brock (in-person) - Aye
Mayor Hyduke (in-person) - Aye

Member Mike Egan (in-person) - Aye
The motion carried by a vote of 6 Ayes, 0 Nay

V. DEPARTMENT AND COMMITTEE REPORTS:

1. Community Development Director Betsy Olivanti

A. Approve an extension for the purchase agreement with Yoder Building Supplies Inc. for 1111 7th Avenue East until December 31, 2025. Motion by Member Egan, supported by Mayor Hyduke, to approve the extension.

President Majkich Brock asked for a roll call vote. The results were as follows:

Member Celia Cameron (in-person) - Aye
Vice President Jurenes (in-person) - Aye
Member Jennifer Hoffman Saccoman (remote) - Aye
President Shari Majkich Brock (in-person) - Aye
Mayor Hyduke (in-person) - Aye
Member Mike Egan (in-person) - Aye
The motion carried by a vote of 6 Ayes, 0 Nay

B. Approve the business subsidy agreement with Yoder Building Supplies Inc. to assist with the relocation project to 1111 7th Avenue East, Hibbing, MN 55746

Motion by Mayor Hyduke, supported by Vice President Jurenes, to approve the business subsidy agreement.

President Majkich Brock asked for a roll call vote. The results were as follows:

Member Celia Cameron (in-person) - Aye
Vice President Jurenes (in-person) - Aye
Member Jennifer Hoffman Saccoman (remote) - Aye
President Shari Majkich Brock (in-person) - Aye
Mayor Hyduke (in-person) - Aye
Member Mike Egan (in-person) - Aye
The motion carried by a vote of 6 Ayes, 0 Nay

C. Approve the loan request in the amount of \$250,000 for Yoder Building Supplies Inc. relocation project contingent on funding from Security State Bank.

Motion by Member Egan, supported by Mayor Hyduke, to approve loan request in the amount of \$250,000 with the terms and conditions presented in the loan write up.

President Majkich Brock asked for a roll call vote. The results were as follows:

Member Celia Cameron (in-person) - Aye

Vice President Jurenes (in-person) - Aye

Member Jennifer Hoffman Saccoman (remote) - Aye

President Shari Majkich Brock (in-person) - Aye

Mayor Hyduke (in-person) - Aye

Member Mike Egan (in-person) - Aye

The motion carried by a vote of 6 Ayes, 0 Nay

~~D. Approve the lease agreement with Yoder Building Supplies Inc. for 1111 7th Avenue East, Hibbing MN 55746~~

E. Award the bid for the contents of the Arrowhead Motorcycle Shop in the amount of \$4,250.

Motion by Member Egan, supported by Mayor Hyduke, to award the bid in the amount of \$4,250 to Casey Wargin.

President Majkich Brock asked for a roll call vote. The results were as follows:

Member Celia Cameron (in-person) - Aye

Vice President Jurenes (in-person) - Aye

Member Jennifer Hoffman Saccoman (remote) - Aye

President Shari Majkich Brock (in-person) - Aye

Mayor Hyduke (in-person) - Aye

Member Mike Egan (in-person) - Aye

The motion carried by a vote of 6 Ayes, 0 Nay

VI. ADJOURNMENT:

There being no further items on the agenda, a motion was made by Mayor Hyduke, supported by Member Egan, to adjourn.

President Majkich Brock asked for a roll call vote. The results were as follows:

Member Celia Cameron (in-person) - Aye

Vice President Jurenes (in-person) - Aye

Member Jennifer Hoffman Saccoman (remote) - Aye

President Shari Majkich Brock (in-person) - Aye

Mayor Hyduke (in-person) - Aye

Member Mike Egan (in-person) - Aye

The motion carried by a vote of 6 Ayes, 0 Nay. The meeting closed at 8:15 a.m.

President Shari Majkich Brock

Community Development Dir. Betsy Olivanti

DOWNTOWN HIBBING TRAFFIC & PARKING STUDY

November 2025 Update

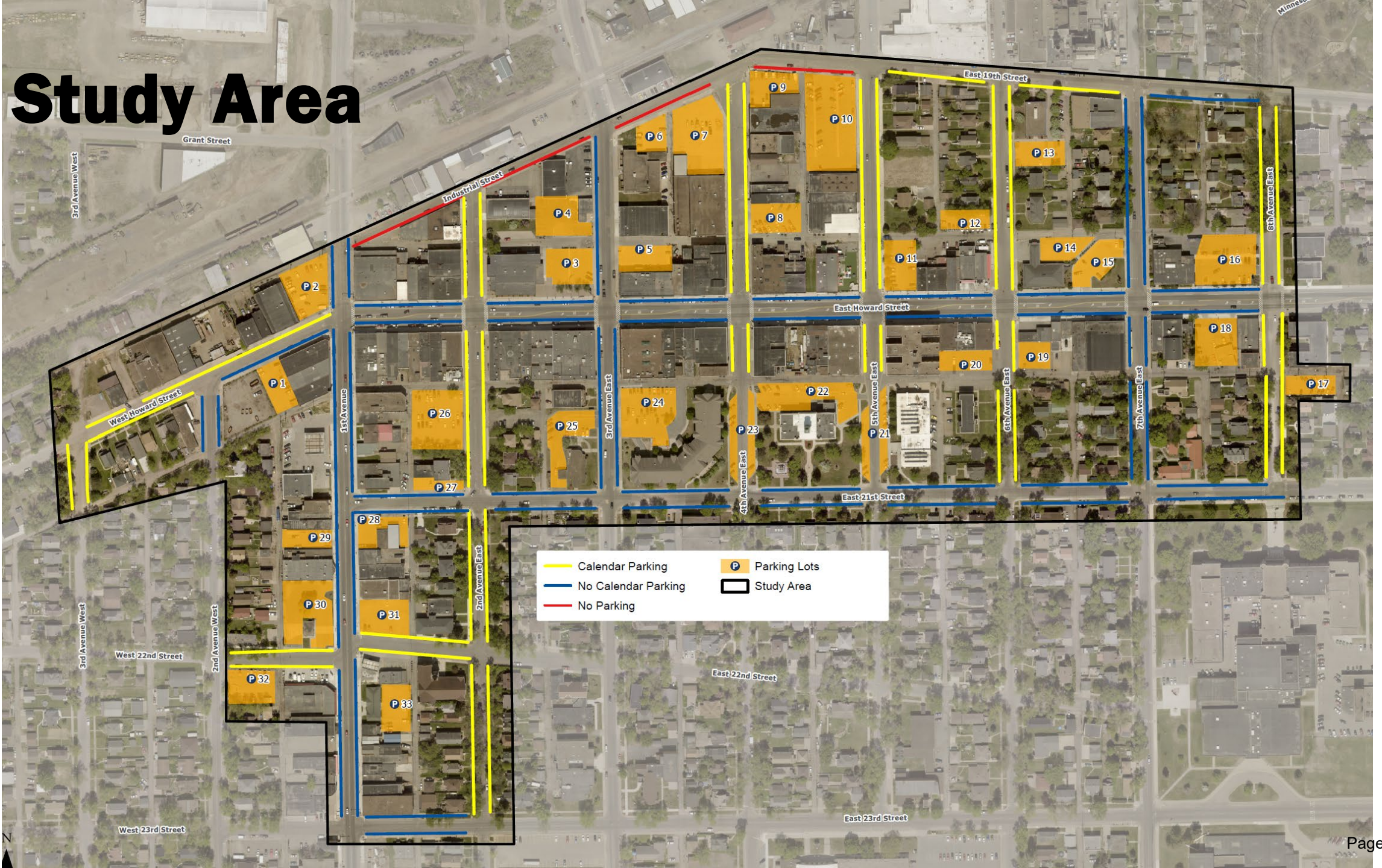


Presentation Highlights

- Study Goals
- Parking Assessment
- Traffic Assessment
- Ideas and Solutions
- Next Steps



Study Area





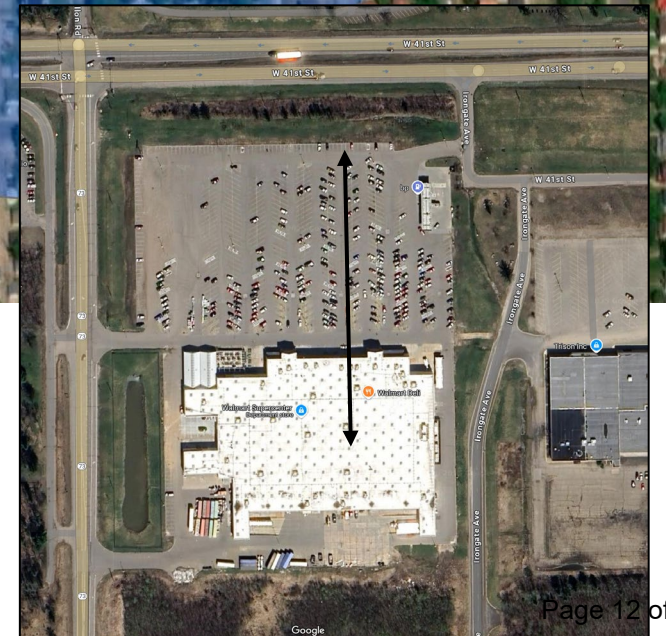
Study Goals

District Approach

Parking in downtown settings should be managed and operated from a district-wide perspective.



1/8th mile walking radius example



Solutions that work in Harmony

Traffic and mobility solutions should enhance and complement the downtown's unique charm and character.



Experience Based

Parking and traffic solutions should enhance the customer experience, support businesses, and community goals.



Collaborative

Partner with businesses, residents, and agencies to create parking strategies that reflect shared goals.



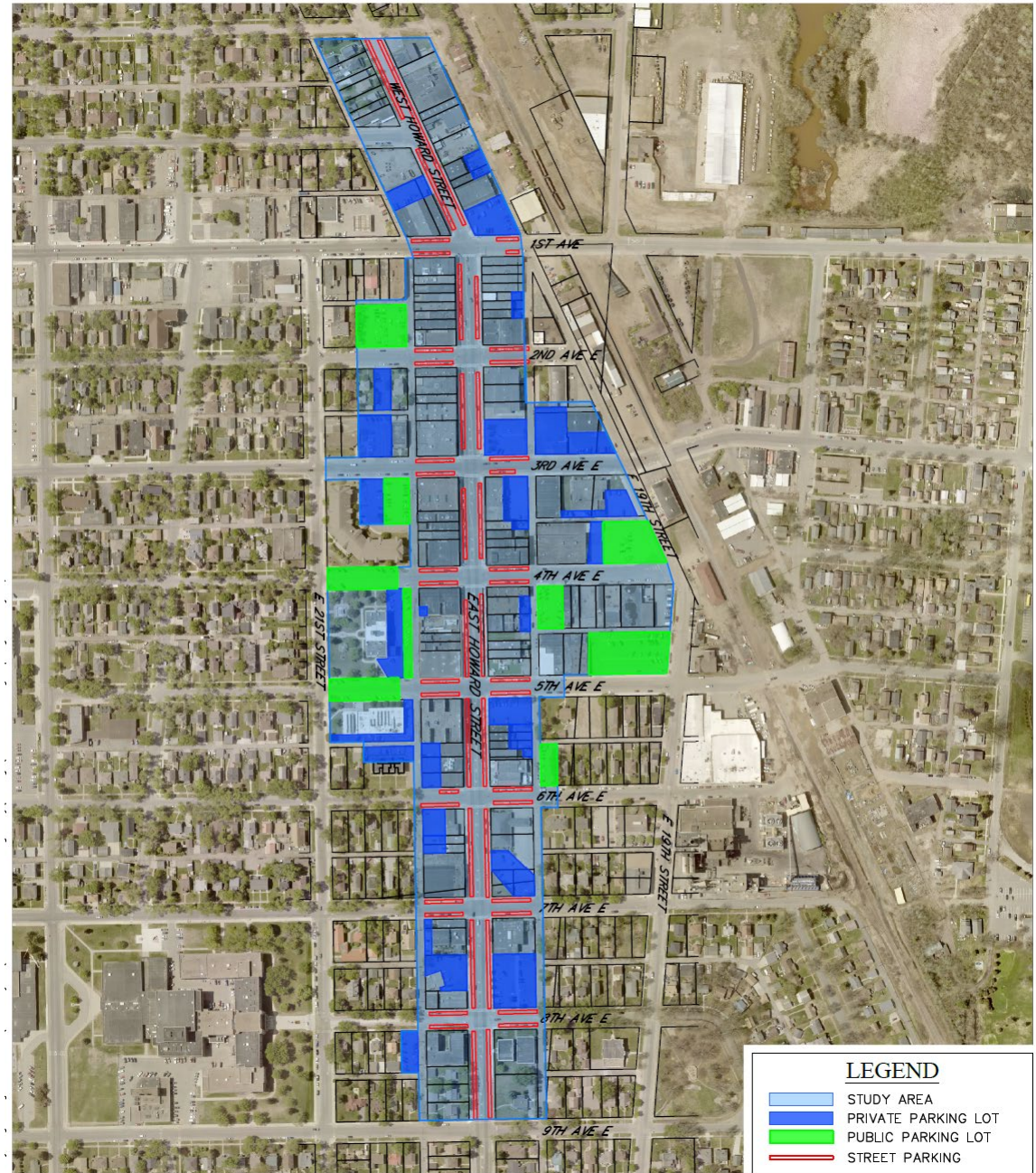


Parking Assessment

Past Work

Howard Street Parking Study (2024)

- Documented Existing Supply and Ownership
- Surveyed Business
- Documented Potential Parking Demand by Land Use





Scan me to see findings

Current Work

Parking Utilization Counts

- Counts reflect a snapshot in time.
 - week of September 22, 2025
- Counts reflect typical days of the week.
 - Tuesday, Thursday, and Saturday
 - 9 a.m., 12 p.m., 3 p.m., and 6 p.m.



Counts are summarized using the following scale:

- Under Utilized (0% - 74% utilized)
- Monitor Utilization (75% - 84% utilized)
- At or Approaching Capacity (85% - 92% utilized)
- At Capacity (93% - 100% utilized)



Scan me to see findings

General Themes

- On-street parking is heavily utilized throughout the day.
- Off-street parking is underutilized.
- Overall, there is a healthy supply of parking (public and private) to meet parking needs from a district-wide perspective.



Counts are summarized using the following scale:

- Under Utilized (0% - 74% utilized)
- Monitor Utilization (75% - 84% utilized)
- At or Approaching Capacity (85% - 92% utilized)
- At Capacity (93% - 100% utilized)



Traffic Assessment

Current Work

Traffic Signal Evaluation

- 12th Ave / Howard St
- 9th Ave / Howard St
- 7th Ave / Howard St
- 5th Ave / Howard St
- 3rd Ave / Howard St
- 1st Ave / Howard St W
- 1st Ave / E 21st St
- 1st Ave / W 23rd St
- 1st Ave / Dupont Rd/Morton Rd/25th E and W
- 1st Ave / W 31st St
- 1st Ave / 37th St





Ideas & Solutions

Framework for Solutions



Find the right mix of on- and off-street parking to meet existing and future needs.



Acknowledge the role on-street parking plays in supporting downtown businesses and activity.



Recognize the collective role (public and private) people have in helping manage parking.



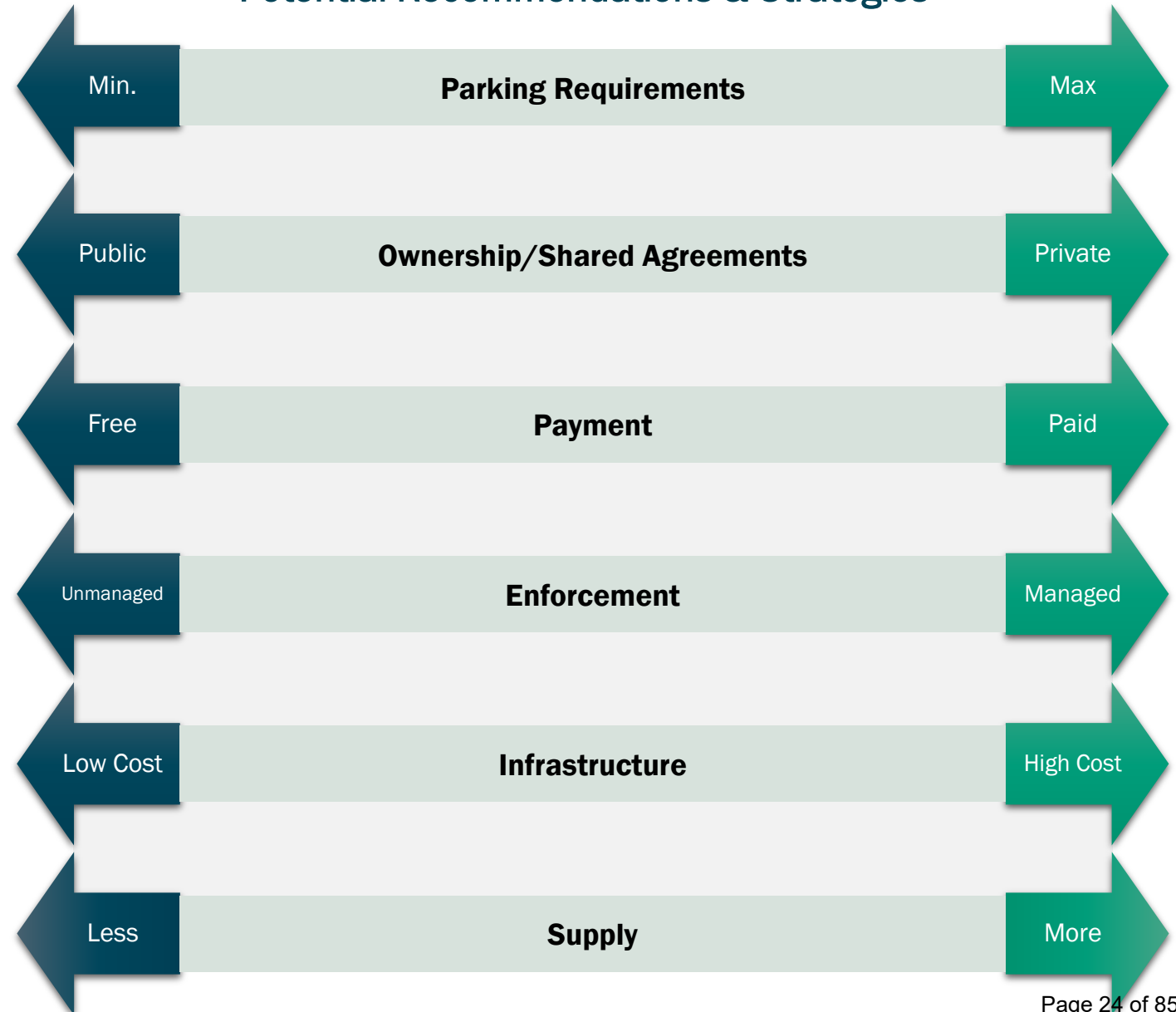
Find low-cost/high benefits solutions.

Ideas

We're striving for shared solutions that reflect a balanced approach to downtown parking and access.

While front-door parking may not be feasible for everyone, the broader goal is a downtown that's welcoming and accessible for all.

Potential Recommendations & Strategies





Next Steps

Next Steps

- Community Questionnaire (November 1 – 30, 2025)
- Business Listening Session (November 10, 2025)
- Hibbing EDA Update (November 10, 2025)
- City Council Update (December 3, 2025)
- Winter Parking Counts (December/January 2026)
- Business Engagement –Draft Recommendations (February 2026)
- Plan Adoption (March 2026)

1. When and where is parking most difficult in downtown?
2. Where do you think downtown improvements could help support local businesses?
3. What are your ideas and solutions for parking?

Discussion (Q&A)

Loan Application for Hibbing Economic Development Authority

Business Name: BULANJA INVESTMENTS
Business Address: 2012 1ST AVENUE HIBBING MN 55746
Street City State Zip Code
Business Phone: 612 242 8044


Name of Principal No. 1: <u>AARON BULANJA</u>	Name of Principal No. 2: _____
Home Address: <u>30776 REDDING AVE</u> Street <u>SHAFFER</u> <u>MN</u> <u>55074</u> City State Zip Code	Home Address: _____ City State Zip Code
Home Phone: _____	Home Phone: _____

Type of Business (LLC, Corp, Sole Prop): LLC
Date Established: 01/25/2025
Amount of financing request from Hibbing Economic Development Authority: \$ 40,919
Total Project Costs: 122,757

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: Aaron Bulanja  Title: OWNER Date: 10/6/2025
Name: _____ Title: _____ Date: _____

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
HEDA@HibbingMN.gov

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>1</u>	<u>1</u>	<u>1.5</u>
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>15,919</u>	Land	<u> </u>
Loan 1	<u>40,919</u>	Building	<u>122,757</u>
Loan 2	<u>40,919</u>	Equipment	<u> </u>
Loan 3	<u> </u>	Inventory	<u> </u>
Line of Credit	<u> </u>	Start-Up Costs	<u> </u>
	<u>25,000</u>	Goodwill	<u> </u>
	<u> </u>	Refinance	<u> </u>
TOTAL	<u>122,757</u>	Working Capital	<u> </u>
		TOTAL	<u> </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	HEBA LOAN			Y
Loan 2	HEBA DEFERRED LOAN			Y
Loan 3				
	IRRR BER GRANT			Y

List of collateral and estimated values:

	Description	Value in \$
Item 1		
Item 2		
Item 3		
Item 4		
Item 5		

Application for a HEDA Loan Proposal

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3. Project Scope and Financials
 - 3.1 Detailed Project Description: Roof Repair
 - 3.2 Cost Breakdown and Contractor Bid Analysis
 - 3.3 Business Financial Statements
 - 3.4 Projected Financial Performance (3-Year Outlook)
 - 3.5 Proposed Loan Repayment Schedule

1. Executive Summary: Securing Business Continuity and Community Value

1.1 Loan Request Overview

Bulanja Investments formally requests a loan in the amount of **\$40,919** to finance a critical and time-sensitive structural repair of the roof at our commercial property located at **2012 1st Ave, Hibbing, MN 55746**. This project is not a routine maintenance upgrade but an emergency measure required to address significant structural deficiencies and active leaks that are currently disrupting operations and posing a direct safety hazard to tenants.

The funds will be allocated to a comprehensive roof overhaul, including essential structural reinforcement and modern weatherproofing. This intervention is necessary to prevent imminent and widespread water damage, which has already forced the partial closure of our premises and resulted in a tangible loss of revenue. The current condition of the roof creates a significant liability risk and undermines the safety of tenants and their families.

Project Justification and Long-Term Stability

This repair represents a foundational investment in the long-term viability of Bulanja Investments. By completing this project, we will achieve several critical business objectives:

- **Secure Revenue Streams:** The overhaul will restore the full and safe availability of all 10 rental units and all 4 commercial spaces, securing our primary source of income.
- **Eliminate Liability:** It will remove the direct safety hazards posed by the deteriorating roof structure, mitigating major liability risks.
- **Stabilize Cash Flow:** The project guarantees the structural integrity of the building for the next 15-20 years, eliminating the threat of unforeseen and costly emergency repairs and stabilizing our operational budget.

This loan is an essential investment to ensure the continuity of our business, which has been operating at this location for the past year. By addressing this urgent structural need, we safeguard our asset, protect our tenants, and position Bulanja Investments for sustained financial health and growth within the Hibbing community.

1.2 Project Necessity and Urgency

The need for this roof repair project is not speculative or preventative; it is an immediate and critical requirement to mitigate ongoing financial losses, address significant safety hazards, and avert catastrophic business failure. The current state of the roof has moved beyond a maintenance issue and now represents an escalating crisis with severe operational and legal ramifications.

Immediate Financial and Operational Impacts

The structural failure of the roof is actively disrupting business operations and eroding our revenue base. The consequences are measurable and escalating daily:

- **Direct Revenue Loss:** One residential apartment unit is currently **untenable** due to pervasive water damage and resulting mold growth. This forces the unit to remain vacant, creating a direct and recurring financial loss of **\$600 per month**.
- **Ineffective and Costly Stopgaps:** We have already funded three separate **emergency patch repairs** within the last two months. These measures have proven insufficient, providing only temporary relief while failing to address the underlying widespread membrane failure. Each attempt represents a sunk cost that does not contribute to a long-term solution.
- **Disruption to Tenants:** Beyond the uninhabitable unit, persistent leaks and the musty odor of dampness affect the common areas on the second floor. This has led to multiple complaints from residents regarding air quality and has created an environment of anxiety and frustration, undermining tenant retention.

Escalating Future Risks of Inaction

Delaying a comprehensive repair introduces a set of severe, compounding risks that threaten the very existence of the business. An official inspection by our preferred roofing contractor has confirmed "**widespread membrane failure and saturated insulation,**" concluding that further patching is not only ineffective but also creates a risk of ceiling collapse.

The most significant future risks include:

- **Imminent Risk of Full Operational Shutdown:** As the leaks spread, additional units will inevitably become unsafe and uninhabitable, leading to a cascading loss of all rental income and forcing a complete operational shutdown.
- **Cancellation of General Liability Insurance:** Our insurance carrier has issued a formal warning that our policy is at risk of being **cancelled** if the structural deficiencies are not permanently resolved. A loss of coverage would leave the business entirely exposed to liability and violate the terms of most commercial financing.
- **Legal Exposure:** The current conditions expose Bulanja Investments to potential **legal action from tenants** for failure to provide a safe and habitable living environment, a fundamental obligation for any landlord.

This project is therefore essential. It is not an upgrade for aesthetic or aspirational purposes but a foundational necessity to stabilize the property, secure our revenue, protect our tenants, and ensure the continued viability of Bulanja Investments as a contributing member of the Hibbing business community.

2. Community and Economic Impact

2.1 Statement on Job Retention and Blight Prevention

This loan is not merely an investment in a physical asset; it is a direct investment in the stability of our local community. By securing the structural integrity of our building at 2012 1st Ave, Bulanja Investments directly supports local employment and acts as a proactive force against the spread of commercial blight in Hibbing's historic downtown.

A Proactive Investment in Job Retention

The continued operation of this property is essential for local employment. Specifically, funding this repair will:

- **Secure a Critical On-Site Job:** The building's operation directly supports an **on-site property manager**. This position is fundamental to tenant relations, daily maintenance, and operational oversight. The role is entirely dependent on the property remaining viable and generating revenue. A failure to secure the building would lead to the loss of this job.
- **Support Local Contractors:** The repair project itself will engage local contractors, contributing to the broader construction and skilled trades economy within the Hibbing area.

A bulwark Against Commercial Blight

A well-maintained, fully occupied building is a cornerstone of a vibrant commercial district. This project serves as a crucial measure to prevent the onset of urban decay on 1st Ave. The primary risk of inaction is the creation of a significant blighted property, which would have cascading negative effects on the surrounding area.

- **Preventing a Visible Eyesore:** If the roof failure is not addressed, the building will inevitably be condemned and vacated. A large, empty structure at this key location would create a **visible symbol of decay**, discouraging foot traffic, deterring new investment, and diminishing the perceived value and safety of the entire historic downtown.
- **Maintaining Public Safety:** A fully occupied building ensures there are consistent "eyes on the street," a recognized principle of urban safety. The presence of our residents contributes to a more secure and welcoming environment for visitors and neighboring businesses alike.
- **Encouraging Further Investment:** This project signals a commitment from private owners to invest alongside the city in its revitalization goals. By demonstrating confidence in the future of the district, our investment can serve as a catalyst, encouraging other property owners to undertake their own improvements and contribute to a cycle of positive development.

Securing this loan is a proactive step to ensure our property remains a positive contributor to the economic and aesthetic health of downtown Hibbing, rather than becoming a liability that undermines wider community revitalization efforts.

2.2 Contribution to Local Economic Stability

Beyond retaining a specific job and preventing blight, the continued viability of Bulanja Investments at 2012 1st Ave serves as a stabilizing force for the broader Hibbing economy. Our business is not an isolated entity but a fully integrated component of the local economic ecosystem, contributing directly through taxes, local spending, and by providing essential housing that supports the community's workforce and commercial vitality.

Direct Financial Contributions and Localized Spending

Our commitment to the Hibbing economy is demonstrated through consistent financial contributions and a deliberate policy of local procurement.

- **Tax Revenue Generation:** Bulanja Investments contributes approximately **\$5,300 annually** in property taxes. This revenue directly supports essential municipal and county services, including public safety, infrastructure maintenance, and funding for Hibbing Public Schools, which serves the children of local families, including some of our own tenants.
- **Local Procurement:** We exclusively engage Hibbing-based businesses for all property maintenance and repair needs. Our operational spending on services such as plumbing, electrical work, and general repairs is kept entirely within the community, supporting local tradespeople and small businesses.

Alignment with Hibbing's Downtown Revitalization Goals

This project directly supports several of the City of Hibbing's publicly stated economic development objectives. By investing in our property, we are an active partner in the city's vision for a vibrant downtown.

City of Hibbing Stated Goal	Our Project's Contribution
Preserve Historic 1st Ave	Our project ensures the structural integrity and aesthetic upkeep of a key building within the historic commercial district, directly aligning with the city's Comprehensive Plan .
Increase Downtown Residential Density	By ensuring our residential units remain safe and habitable, we help maintain and increase the number of people living downtown, which is a stated goal of the Economic Development Authority to support local businesses.
Improve Building Integrity	This roof overhaul is a direct answer to the downtown revitalization initiative's call to improve the facades and structural integrity of buildings on 1st Ave, serving as a model for private investment.

Providing Stable Housing for a Local Workforce

Our property provides stable, centrally located housing for residents who are foundational to Hibbing's economy. Our tenants include families whose children attend local schools and professionals who work for major regional employers like the local hospital and mining operations. By providing quality housing, we help attract and retain a skilled workforce.

This, in turn, creates a positive feedback loop for the 1st Ave commercial district. Our tenants are regular patrons of nearby establishments, directly supporting the local service economy.

- They shop at the downtown **grocery store and pharmacy**, sustaining essential retail services.
- They frequent **local cafes and restaurants on 1st Ave**, contributing to the vibrancy of the hospitality sector.

By ensuring our building remains a safe and desirable place to live, this loan secures more than just an asset; it safeguards a vital piece of Hibbing's economic and social fabric.

3. Project Scope and Financials

3.1 Detailed Project Description: Roof Repair

This project addresses a critical structural failure of the roof at 2012 1st Ave. The scope of work is comprehensive, designed not merely to patch existing leaks but to execute a full-scale overhaul that ensures the building's long-term safety, operational continuity, and structural integrity. The project will be executed by **Range Cornice**, a highly reputable local contractor selected for their thorough on-site inspection, professional responsiveness, and clear articulation of the underlying structural issues.

Project Scope and Methodology

The repair process will follow a systematic, multi-phase approach to address both surface-level and structural deficiencies. The estimated timeline for completion is **three weeks**, accounting for the complexity of the required structural work.

The core activities include:

1. **Complete Removal of Existing Roof System:** All current roofing materials, including the failing membrane and saturated insulation, will be stripped down to the original wooden roof deck. This is essential to expose and assess the full extent of water damage.
2. **Structural Deck Repair:** Any sections of plywood decking that have been compromised by water damage and rot will be identified, removed, and replaced with new, structurally sound plywood. This step is critical for providing a solid foundation for the new roofing system.
3. **Installation of Tapered Insulation:** New tapered insulation will be installed across the entire roof surface. This will create a positive slope, significantly improving drainage and preventing future ponding water, which is a primary cause of membrane degradation.
4. **Installation of New EPDM Roofing System:** A new, fully adhered **60-mil black EPDM rubber membrane** will be installed. This specific thickness and color were chosen for their proven durability in Minnesota's climate, with the black surface aiding in snow melt. The fully adhered installation method is required to secure the comprehensive manufacturer's warranty.

Materials and Long-Term Guarantees

The materials have been selected to provide maximum durability and a long service life, representing a sound, long-term investment in the property.

Component	Specification	Rationale & Benefit
Roof Membrane	60 -mil Black EPDM (Ethylene Propylene Diene Monomer)	Superior Durability: A 60-mil thickness provides enhanced resistance to punctures, UV degradation, and extreme temperature fluctuations common in Northern Minnesota. The black color helps absorb solar heat, assisting with snow melt in winter.
Installation Method	Fully Adhered System	Warranty & Performance: This method ensures a seamless, watertight bond and qualifies the project for a superior warranty package, preventing wind uplift and ensuring long-term performance.
Warranty	- 20-Year Manufacturer's Warranty - 5-Year Contractor's Workmanship Warranty	Investment Protection: This dual warranty package provides comprehensive, long-term protection against material defects and installation errors, guaranteeing the performance of the roof for decades and securing the value of the asset.

Tenant Safety and Operational Continuity

Minimizing disruption to our tenants is a top priority throughout the project's duration. We will implement strict safety and communication protocols to ensure their well-being and maintain access to their homes.

- **Protected Access:** A designated and clearly marked **protected walkway** will be constructed to ensure tenants have safe and unimpeded entry and exit from the building at all times.
- **On-Site Project Management:** A project manager from Range Cornice will be **on-site daily** to oversee operations, enforce safety standards, and serve as a direct point of contact for addressing any tenant concerns immediately.
- **Clear Communication:** Tenants will be provided with a detailed project schedule in advance and will receive regular updates regarding work progress and any temporary noise or access adjustments.

3.2 Cost Breakdown and Contractor Bid Analysis

The total project cost is **\$122,757**, as quoted by Range Cornice & Roofing Company. This cost reflects the emergency nature of the work and the comprehensive scope required to ensure a permanent solution. Due to the urgency of the situation—marked by active leaks and tenant safety concerns—we secured a single, definitive bid from a contractor with immediate availability and proven expertise in commercial EPDM roofing systems.

Contractor Selection and Due Diligence

Our selection of Range Cornice was the result of a deliberate due diligence process focused on reliability, local reputation, and specialized expertise, which were critical given the project's emergency status.

- **Independent Local Endorsements:** We consulted with two other downtown Hibbing property owners who have previously engaged commercial roofing services. Both independently and strongly recommended Range Cornice, citing their high-quality workmanship and professional reliability.
- **Third-Party Verification:** We confirmed their **A+ rating with the Better Business Bureau (BBB)**, an accreditation they have maintained for over 15 years. This long-standing record provides objective evidence of their commitment to professional standards and customer satisfaction.
- **Demonstrated Expertise:** During the on-site consultation, the Range Cornice representative demonstrated a deep understanding of the specific challenges associated with commercial EPDM systems in Minnesota's harsh climate, referencing similar successful projects completed for other local businesses. This specialized knowledge gave us confidence in their ability to execute the repair correctly.

Bid Analysis and Justification

The bid from Range Cornice is a comprehensive, all-inclusive cost for the project. While the price initially appeared high, it was accepted based on the contractor's immediate availability to prevent further catastrophic damage, their stellar reputation, and the inclusive nature of the bid.

The total cost of **\$122,757** is broken down as follows:

Category	Amount	Description
Materials	\$61,757	Includes all necessary components for a full roof replacement: 60-mil EPDM membrane, tapered insulation, replacement plywood decking, adhesives, and related supplies.
Labor	\$61,000	Covers the complete removal of the existing failed roof, structural repairs to the deck, installation of the new system, site management, and cleanup.
Total Project Cost	\$122,757	Fully-burdened cost for a turnkey project.

We acknowledge that a competitive bidding process with multiple quotes is standard practice. However, the escalating water damage and immediate liability risk necessitated prioritizing a contractor who could mobilize immediately. Range Cornice's ability to begin work promptly was the determining factor in mitigating further financial losses and safety hazards. We relied on their established reputation within the Hibbing business community and their long history of successful commercial projects as validation of fair market value for an emergency repair of this complexity.

3.3 Business Financial Statements

The following financial statements demonstrate the financial stability of Bulanja Investments and our capacity to service the proposed HEDA loan alongside our existing obligations. The figures presented underscore the business's positive performance and its ability to absorb the new debt while maintaining healthy operational reserves.

Current Financial Position

Our business model is built on maintaining a stable revenue stream from our residential rental units. The financial data from the last fiscal year confirms a healthy operational foundation, even before accounting for the future revenue restoration that this project will enable.

Income Statement (Last Fiscal Year)	
Gross Rental Income	\$94,500
Operating Expenses	\$34,500
Net Operating Income (NOI)	\$51,900

Our balance sheet reflects a well-managed asset with a standard mortgage liability. We maintain a prudent cash reserve to address operational needs.

Balance Sheet Highlights	
Cash Reserves	\$25,000
Primary Liability (Existing Mortgage)	\$325,000

Comprehensive Funding Plan

The total project cost of \$122,757 is being met through a diversified funding strategy that leverages grants, a personal cash contribution, and this HEDA loan request. This approach demonstrates our commitment to the project and minimizes the debt burden on the business.

Funding Source	Amount	Status
Iron Range Resources & Rehabilitation (IRRR) Grant	\$25,000	Secured
NORTHLAND FOUNDATION LOAN	\$40,919	Applied for
HEDA Loan Request	\$40,919	This Application
Aaron Bulanja (Personal Cash Injection)	\$15,919	Secured
Total Project Funding	\$122,757	Fully Sourced

Projected Debt Service and Repayment Capacity

This loan has been structured to ensure manageable repayment terms that fit comfortably within our existing cash flow. The projected monthly payment for the HEDA loan is approximately **\$424**, based on a 10-year term at an estimated 5% interest rate.

The addition of this payment to our existing mortgage obligation results in a strong post-loan financial position, confirming our ability to service all debts.

Financial Metric	Calculation	Result
Current Annual Debt Service	\$2,828 (Monthly Mortgage) x 12	\$33,936
Projected Annual HEDA Loan Payment	\$424 (Est. Monthly Payment) x 12	\$5,088
Total Projected Annual Debt Service	\$33,936 + \$5,088	\$39,024
Debt Service Coverage Ratio (DSCR)	\$51,900 (NOI) / \$39,024 (Total Debt)	1.33

A DSCR of **1.33** demonstrates a robust capacity to cover all debt obligations, with a significant cushion remaining. This ratio is calculated using our current, suppressed NOI and does not factor in the additional \$7,200 in annual revenue that will be restored once the vacant unit becomes tenantable post-repair. Including this restored income would further strengthen our repayment position.

3.4 Projected Financial Performance (3-Year Outlook)

The following 3-year forecast demonstrates the projected financial trajectory of Bulanja Investments after the successful completion of the roof repair. These projections illustrate not only a return to full operational capacity but also planned growth through the monetization of vacant commercial spaces and the addition of new amenities. The forecast underscores our ability to comfortably service all debt obligations while generating robust and increasing positive cash flow.

Financial Metric	Year 1 (Post-Repair)	Year 2 (Growth)	Year 3 (Stabilized Growth)
Gross Projected Income	\$101,700 ¹	\$113,970 ²	\$120,000
Less: Operating Expenses	(\$34,500)	(\$35,535)	(\$36,601)
Net Operating Income (NOI)	\$67,200	\$78,435	\$83,399
Less: Total Annual Debt Service	(\$39,024)	(\$39,024)	(\$39,024)
Projected Annual Cash Flow	\$28,176	\$39,411	\$44,375

¹*Includes restoration of \$7,200 annual income from the previously vacant residential unit.*

²*Includes new income from two commercial units and coin-operated laundry facilities.*

Key Takeaways from Projections

These figures provide a clear, data-driven narrative of financial health and strategic growth:

- **Immediate Financial Recovery:** Year 1 demonstrates an immediate and significant improvement in Net Operating Income, driven solely by restoring the single residential unit to a leasable state. This highlights the project's direct and instant positive financial impact.
- **Substantial Growth Trajectory:** The sharp increase in NOI and cash flow in Year 2 reflects our proactive plan to enhance building revenue by leasing currently vacant commercial spaces and introducing new tenant amenities. This is not speculative growth but the result of a defined business strategy.

- **Sustained Repayment Strength:** Across all three years, the business maintains a strong positive cash flow after covering all operating expenses and total debt service. This demonstrates a consistent and reliable capacity to meet all financial obligations, including the proposed HEDA loan, without straining our operational budget.

This forecast confirms that the loan is not merely a stopgap measure but a catalyst for sustained profitability and growth, positioning Bulanja Investments as a financially sound and expanding contributor to the Hibbing economy.

3.5 Proposed Loan Repayment Schedule

We propose a straightforward and manageable repayment plan for the requested **\$40,919** HEDA loan, designed to align with the standard terms for economic development loans and our business's predictable cash flow. Our proposal is structured to ensure timely and reliable repayment while minimizing administrative overhead for both Bulanja Investments and the HEDA.

Proposed Loan Terms

We are requesting terms that reflect a long-term partnership with the HEDA and our commitment to fulfilling our financial obligations.

Parameter	Proposed Term
Loan Term	10 years (120 monthly payments)
Interest Rate	HEDA's standard fixed rate for economic development loans.
Repayment Start Date	The first day of the month immediately following the certified completion of the roof repair project. This timing ensures that repayment commences once the building is fully operational and revenue-generating.

Payment Method and Administration

To guarantee consistent and punctual payments, we propose an automated system that leverages our existing business banking infrastructure.

- **Payment Mechanism:** All monthly payments will be made via **automatic monthly withdrawal (ACH)**.
- **Source of Funds:** The ACH withdrawals will be made directly from our primary **business checking account**, the same account where all rental income is deposited. This ensures that loan payments are an integrated part of our monthly operational budget.

This automated approach provides a secure and reliable repayment schedule, eliminating the risk of administrative error or delay and providing the HEDA with assurance of consistent repayment.

Park State Bank

November 3, 2025

To: Hibbing Economic Development Authority

Re: Richard & Sherri Lees Mortgage Subordination Request

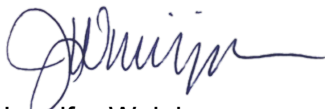
Park State Bank ('the Bank') currently holds first and second mortgages on the property located at 3920 13th Ave E, Hibbing which is owned by Richard & Sherri Lees. The Bank has approved financing up to \$250,000.00 for improvements to the property. The Bank will place another mortgage on the property and requests that Hibbing Economic Development Authority ('HEDA') subordinates the mortgage it holds on this property to the Bank.

The mortgage the Bank is requesting to be subordinated is as follows:

- Mortgage dated May 15, 2023, recorded on May 25, 2023 as Document No. 01467094, securing \$40,000 executed by Richard Lees and Sherri Lees, married to each other, to Hibbing Economic Development Authority.

Please approve this subordination request. We are working with Sellman Title on the new mortgage and they can assist in filing the formal satisfaction of mortgage. Let me know if you need any more information.

Thank you,



Jennifer Wainionpaa
VP Business Banking Officer
jwainionpaa@parkstatebank.com
(218) 231-8008

HEDA Update - 11/05/2025

We have officially moved and opened our doors at the new location at Abundant Life Church.

All work has been completed and remaining invoices can be paid, which I have highlighted in the spreadsheet.

We are however still waiting for some funding from the Northland Foundation, which we will use some of that to buy a storage shed. Our new location has very limited storage space. At this time we have moved a lot out of the Jefferschon, but there are still some things in there that need to be stored.

We are asking to keep them there until our shed is ready. We will receive funding on November 25th and are working on lining up a shed delivery at that time.

Betsy has pointed out that you wish to see a ribbon cutting ceremony and has provided a contact to help us plan it. However, at this point our main focus has been moving in, settling into the new space and fully moving out of the Jefferson before we can put our minds to planning that event. We will reach out and collaborate to find a suitable date.

To be considered:

- the approval of the invoices as stated on the spreadsheet
- keeping items at the Jefferson until the end of November (utilities not needed on our part)

Sincerely,

Pia Groszbach and the HPNS staff

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"/>	\$14,549.00	Additional work was needed for building and fire code
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	
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	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	
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 checked="" type="checkbox"/>	\$11,489.00	Partial bill claim due to exceeding HEDA funds
Total relocation cost thus far	\$54,251.17		\$53,584.00				\$50,000.00	
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 checked="" type="checkbox"/>		
Search Log Claim	\$5,000.00	* can be paid						

COMMERCIAL LEASE

This commercial lease agreement (this "Lease") is entered into on the ____ day of November, 2025, between **JT Ventures LLC**, a Minnesota limited liability company, herein called JT VENTURES or the Lessee, and the **Hibbing Economic Development Authority**, herein called HEDA or the Lessor.

Lessee hereby leases from Lessor the premises 31,054 square foot building on the land legally described on Exhibit A attached hereto (and all improvements located thereon) situated in the City of Hibbing, County of St. Louis, State of Minnesota, upon the following terms and conditions, for the purposes of conducting work per the purpose of Yoder Building Supply (that the owners of JT VENTURES are also the owners of Yoder Building Supply).

TERM AND RENT: The initial term of this Lease shall begin on the 1st day of November, 2025 and end on the 30th day of November 2025 on a month to month basis starting on the first day of each month. Lessee shall pay rent to the Lessor pursuant to the following formula:

The monthly payment = the amount to pay HEDA \$700,000.00 at 3.0% interest over the course of 20 years

The monthly payment would be \$3,882.18.

That the amount referred to as principal for each monthly payment per the amortization schedule attached hereto and made a part hereof as Exhibit B shall reduce the purchase price for the Lessee to pay the Landlord per the Purchase Agreement date March 10, 2025

TERMINATION: Lessor shall have the right to cancel and terminate this Lease, in its sole discretion, as well as all the right, title, and interest of Lessee hereunder, by giving to Lessee no less than one lease ter, notice of the cancellation and termination. On expiration of the time fixed in the notice, this Lease and the right, title, and interest of Lessee hereunder shall terminate in the same manner and with the same force and effect, except as to Lessee's liability, as if the date fixed in the notice of cancellation and termination were the end of the term herein originally determined.

CARE, MAINTENANCE AND REPAIR OF PREMISES: Lessee shall, at its own expense and at all times, maintain the premises in good and safe condition, including routine maintenance. Lessor shall be responsible for maintaining and repairing the major systems on the premises, which include, but shall not be limited to, wiring, plumbing, fire suppressant, and heating systems except those repairs caused by the negligent conduct of the Lessee, Lessee's guests, or persons under Lessee's direction or control, including Lessee's employees. Lessee shall be responsible for routine maintenance of the premises such as cleaning and light bulb replacement. Any damage to the major systems mentioned caused by the acts or omissions of Lessee shall be Lessee's responsibility. Lessee shall promptly notify Lessor of any conditions that might cause damage to the premises. Lessee is responsible for shoveling the snow on sidewalks and parking lot and driveway and other minor grounds maintenance, including mowing, lawn care, and landscaping on its part of the premises. Lessee will maintain the driveway and parking lot. Maintain is defined as patching holes and tarring, if necessary.

The Lessor shall provide for general maintenance of the facility infrastructure, including both interior and exterior, or on the adjacent grounds, including electrical, heating and air conditioning, sewer and water, and access roads except those repairs caused by the negligent conduct of the Lessee, Lessee's guests, or persons under Lessee's direction or control, including Lessee's employees. Lessee shall also provide snowplowing. Day-to-day janitorial services, cleaning, kitchen, and bathroom supplies will be provided by the Lessee.

The Lessee shall have specific permissions to make the following repairs:

- Fixing leak in roof.
- Transporting personal property into the warehouse.
- Make internet operational and ongoing.
- Cleaning.
- Tear out old carpets.
- Painting.
- Test surfaces.

Any other changes would be made with the consent of HEDA's Community Development Director.

ALTERATIONS: Lessee shall not, without first obtaining the written consent of the Lessor, which shall not be unreasonably withheld, make any alterations, additions, or improvements, in, to or about the premises.

ORDINANCES AND STATUTES: Lessee shall comply with all statutes, ordinances, and requirements of all municipal, state, and federal authorities now in force, or which may hereafter be in force, pertaining to the premises, occasioned by or affecting the use thereof by Lessee.

PROHIBITED USE: Lessee shall not use the Leased Premises for the purposes of storing, manufacturing, or selling any explosives, flammables or other inherently dangerous substance, chemical, thing or device except what is needed in the ordinary course of Lessee's business. Lessee shall not permit any unlawful practice or activity to be carried on in the premises or commit or suffer waste.

ASSIGNMENT AND SUBLETTING: Lessee shall not assign this Lease or sublet any portion of the premises without prior written consent of the Lessor. Any such assignment or subletting without consent shall be void and, at the option of the Lessor, may terminate this Lease.

UTILITIES: Lessee shall pay all charges for water, sewer, gas, electricity, telephone, and other services and utilities used by Lessee on the leased premises during the term of this Lease unless otherwise expressly agreed to in writing by the Lessor.

TAXES: Lessee shall pay all real estate taxes, personal property taxes, and special assessments, if any, payable against the premises during the term of this Lease. Lessee shall pay all such real estate taxes, personal property taxes, and special assessments if any, by paying said obligations directly and copy Lessor in on said payments.

QUIET POSSESSION: If Lessor is unable to deliver possession of the premises at the commencement hereof, Lessor shall not be liable for any damage caused thereby, nor shall this Lease be void or voidable,

but Lessee shall not be liable for any rent until possession is delivered. Lessee may terminate this Lease if possession is not delivered within Thirty (30) days of the commencement of the term hereof.

INDEMNIFICATION OF LESSOR: Lessee shall protect, defend, indemnify, and hold Lessor harmless from and against any and all claims, actions, losses, damages, costs, expenses (including attorneys' fees and expenses), and liabilities against Lessor relating to any and all losses or damages (including, without limitation, injury to or death of person or persons and damage to property) allegedly or actually suffered by any person or persons and allegedly or actually arising out of the activities of Lessee, its agents, employees and guests on the premises.

INSURANCE:

- a. Lessee shall maintain and keep in force Comprehensive General Liability insurance on an occurrence basis, insuring against claims for personal injury, death or property damage occurring in, on or about the premises, and also insuring Lessee's indemnification obligations hereunder, in such amounts reasonably deemed necessary by Lessor, but in no case less than \$1,000,000.00 per occurrence. Such liability insurance shall name Lessor as an additional insured. Lessee shall pay the premiums on such insurance as they come due.
- b. Insurance Required by Law. Lessee shall also carry any other insurance required by law including, but not limited to, workers' compensation and automobile insurance.
- c. Release of Lessor. Lessor, its agents, officers, employees and servants are not liable, and Lessee waives all claims for damage to property and business sustained during the term of this Lease from any cause whatsoever occurring in or about the premises, including, without limitation, those (i) resulting from the negligence of Lessor, or (ii) arising out of the operation of Lessee's business on the premises.
- d. General Insurance Terms. The insurance required in this Lease shall not be cancelled or shall not lapse without Lessor having received at least thirty days written notice of such cancellation or lapse. Lessee shall provide Lessor with evidence of insurance coverage complying with the requirements of this Lease.
- e. Other Insurance. All property owned by Lessee or any property owned by Lessee's employees placed on the property described above shall be at the risk of the Lessee, and Lessor undertakes no responsibility to insure Lessee's personal property. Lessee may insure such personal property in its own discretion.

CONDITION OF PREMISES: Lessee agrees to maintain the premises in the same condition, order, and repair as existed at the commencement of the term, excepting only reasonable wear and tear. When this Lease ends or is terminated pursuant to the terms of the Lease, Lessor and Lessee shall inspect the premises to ensure the premises is returned to its condition at the start of the Lease except for ordinary wear and tear.

ENVIRONMENTAL: Lessee shall not allow any Hazardous Substances to be located, used, stored, disposed of, possessed, managed, processed, generated, transported, treated, discharged or released in, on, from or with respect to the premises (including ground water contamination) or otherwise handled on the premises (except for amounts used in the ordinary course of business and in compliance with all applicable Environmental Laws), unless in compliance with all applicable Environmental Laws. As used

herein, the term "Environmental Laws" shall mean and refer to any federal, state or local law, statute, code, ordinance, regulation, requirement or rule relating to or governing the generation, handling, labeling, storage, transport or disposal of Hazardous Substances. As used herein the term "Hazardous Substances" shall mean any dangerous, toxic or hazardous pollutants, contaminants, chemicals, wastes, materials or substances, as defined in or governed by the provisions of the Federal Resource Conservation and Recovery Act of 1976, the Federal Comprehensive Environmental Response Compensation and Liability Act of 1980, and/or the Superfund Amendments and Reauthorization Act of 1986 (42 U.S.C. § 6901 et seq. and 42 U.S.C. § 9601 et seq.), as amended, or any other Environmental Laws, and also including urea-formaldehyde, polychlorinated biphenyls, dioxin, radon, asbestos, asbestos containing materials, nuclear or radioactive fuel or waste, infectious waste, and petroleum, including but not limited to crude oil or any fraction thereof, natural gas, natural gas liquids, gasoline and synthetic gas, or any other waste, substance, pollutant or contaminant which would subject the owner of the land to any damages, penalties or liabilities under any applicable law, statute, code, ordinance, regulation, requirement or rule.

DESTRUCTION OF PREMISES: In the event of a partial destruction of the premises during the term hereof, from any cause, Lessor shall forthwith repair the same, provided that such repairs can be made within fifteen (15) days under existing governmental laws and regulations, but such partial destruction shall not terminate this Lease, but Lessee shall be entitled to a proportional reduction of rent while such repairs are being made, based upon the extent to which the making of such repairs shall interfere with the business of the Lessee on the premises. If such repairs cannot be made within said fifteen (15) days, Lessor, at its option, may make the same within a reasonable time, this Lease continuing in effect with the rent proportionately abated as aforesaid, and in the event that Lessor shall elect not to make such repairs which are unable to be made within fifteen (15) days, this Lease may be terminated at the option of either party. A total destruction of the premises shall automatically terminate this Lease.

LESSOR'S REMEDIES ON DEFAULT: If Lessee defaults in the payment of rent or any additional amounts due or defaults in the performance of any of the other covenants or conditions hereof, Lessor may give Lessee Notice of such default and if Lessee does not cure any such default within ten (10) days after the giving of such Notice (or if such other default is of such nature that it cannot be completely cured within such period, if Lessee does not commence such curing within ten (10) days and thereafter proceed with reasonable diligence and in good faith to cure such default), then Lessor may terminate this Lease on not less than thirty (30) days' notice to Lessee. On the date specified in such Notice the term of this Lease shall terminate, and Lessee shall then quit and surrender the premises to Lessor, but Lessee shall remain liable as hereinafter provided. If this Lease shall have been so terminated by Lessor, Lessor may at any time thereafter resume possession of the premises by any lawful means and remove Lessee or other occupants.

BUSINESS LIABILITIES: Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third party to create a relationship of principal and agent, or of partnership, or of joint venture, or of any association whatsoever between Lessor and Lessee it being expressly understood and agreed that neither the method of computation of rent nor any other provisions contained in the Lease is deemed to create any relationship between Lessor and Lessee other than the relationship of Lessor and Lessee.

WAIVER: No failure of Lessor to enforce any term hereof shall be deemed to be a waiver.

NOTICES: Any notice which either party may, or is required to, give shall be given by mailing the same, postage prepaid, to Lessee at the premises or to Lessor at the Hibbing City Hall, 401 East 21st Street, Hibbing Minnesota 55746, or at such other places as may be designated in writing by the parties from time to time.

HEIRS, ASSIGNS, AND SUCCESSORS: This Lease runs with the land described on Exhibit A and is binding upon and inures to the benefit of the heirs, assigns and successors in interest to the parties.

SUBORDINATION: This Lease is and shall be subordinated to all existing and future liens and encumbrances against the property.

ENTIRE AGREEMENT: The foregoing constitutes the entire agreement between the parties and may be modified only by a writing signed by both parties.

LESSOR'S RIGHT TO ENTER: Lessor may enter the premises for any reasonable business purpose, for the purpose of inspection, and in the case of an emergency.

APPLICABLE LAW: It is agreed that this Lease shall be governed by, construed, and enforced in accordance with the laws of the State of Minnesota.

UNLAWFUL DETAINER AND ATTORNEYS' FEES: In case suit shall be brought for an unlawful detainer of the premises, for the recovery of any rent due under the provisions of this Lease, or for Lessee's breach of any other condition contained herein, Lessee shall pay to Lessor a reasonable attorney's fee which shall be fixed by the court, and such attorney's fee shall be deemed to have accrued on the commencement of the action and shall be paid on the successful completion of this action by Lessor.

In the event of a lawsuit between the parties regarding the interpretation or enforcement of this Lease, the Court shall award reasonable attorneys' fees, costs and disbursements to the prevailing party.

AUTHORITY: Lessee is a Minnesota corporation duly organized and validly existing under the laws of the State and has full power, authority, and capacity to enter into and perform under this Lease and has been duly authorized to execute this Lease and complete the transaction described in this Lease.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Lease to be duly executed and delivered as of the day and year first above written.

LESSOR
Hibbing Economic Development Authority

By _____
Shari Majkich Brock
President

By _____
Steve Jurenes
Vice President

STATE OF MINNESOTA)
)ss
COUNTY OF ST. LOUIS)

The foregoing instrument was acknowledged before me this ___ day of _____, 2025, by Shari Majkich Brock, the President of the Hibbing Economic Development Authority ("HEDA"), and acknowledged the foregoing instrument on behalf of said Authority.

Notary Public
My commission expires Jan. 31, 20____.

STATE OF MINNESOTA)
)ss
COUNTY OF ST. LOUIS)

The foregoing instrument was acknowledged before me this ___ day of _____, 2025, by Steve Jurenes, the Vice President of the Hibbing Economic Development Authority ("HEDA"), and acknowledged the foregoing instrument on behalf of said Authority.

Notary Public
My commission expires Jan. 31, 20____.

(See additional notary next page.)

LESSEE
JT Ventures LLC

By _____
Trenda Yoder
President

STATE OF MINNESOTA)
)ss
COUNTY OF ST. LOUIS)

The foregoing instrument was acknowledged before me this ____ day of _____, 2025, by Trenda Yoder, the President of the JT Ventures LLC, a Minnesota limited liability company, and acknowledged the foregoing instrument on behalf of said limited liability company, Lessee.

Notary Public
My commission expires Jan. 31, 20____.

EXHIBIT A
LEGAL DESCRIPTION

That part of the NW 1/4 of Section 7, Township 57 North, Range 20 West of the Fourth Principal Meridian, described as follows:

Commencing at the southeast corner of Government Lot 2 and assuming the south line of said NW 1/4 to bear North 81 degrees 05 minutes 24 seconds West; thence North 04 degrees 32 minutes 04 seconds East along the East line of said Government Lot 2, 303.49 feet to the west right-of-way of Seventh Avenue East, thence North 09 degrees 44 minutes 15 seconds East along said right-of-way 741.44 feet to the point of beginning of the parcel to be described; thence continue North 09 degrees 44 minutes 15 seconds East along said right-of-way 500.05 feet; thence North 81 degrees 05 minutes 24 seconds West 500.05 feet; thence South 9 degrees 44 minutes 15 seconds West 500.05 feet; thence South 81 degrees 5 minutes 24 seconds East 500.05 feet to the point of beginning.

EXCEPTING minerals and mineral rights according to prior reservations of record.

Grantee shall devote the property to its intended use, being commercial development, within one (1) year of this transfer. If Grantee fails to do so, Grantor may exercise a right of reversion to Grantor. Grantee may request an extension of time to the development of said property. Grantee may not transfer title to said real property within one (1) year of the date of this Deed without the consent of the Grantor. Drawings on the footings on the adjacent parcel (140-0270-00340) will satisfy the condition for commercial development. Upon receipt of the drawings, Grantor agrees to proceed to remove its right of reversion.



Hibbing Economic Development Authority

2012 1st Avenue Loan Write Up

Eligibility within the framework of the revolving loan fund plan:

Priority #1 and #2 — investment in building renovations, particularly in the downtown district, energy efficiency upgrades, and preservation of mixed-use commercial properties. The project aligns directly with the HEDA Revolving Loan Fund objectives to retain existing business operations, improve the quality and safety of downtown structures, and promote reinvestment in Hibbing’s central business district.

Overall economic benefits of the proposed project:

This project will fund capital improvements to a mixed-use commercial and residential building located at 2012 1st Avenue, Hibbing. The property consists of 10 residential apartments and 4 commercial units, currently stabilized at approximately 90% occupancy.

The proposed work includes roof and building envelope repairs necessary to preserve the building’s long-term viability. The investment will help maintain affordable downtown housing, preserve existing business space, and enhance the aesthetics and stability of the downtown corridor. The project will retain approximately 1.5 FTEs associated with the property’s commercial tenants and operational oversight.

Balance sheet and ratio analysis and determination of adequate capital and equity:

The total project cost is \$122,757, with funding structured as follows:

- HEDA Revolving Loan – \$40,919 (requested)
- AEOA BER Program – \$25,000 (confirmed grant)
- Northland Foundation – \$40,919 (pending)
- Owner Equity – \$15,919 (committed cash contribution)

The applicant demonstrates adequate equity and financial capacity to undertake this project. Based on submitted financials, the projected debt service coverage ratio exceeds 1.33:1, which meets HEDA’s criteria.

Analysis of repayment ability:

Aaron Bulanja, operating as Bulanja Investments LLC, has a consistent record of meeting financial obligations and maintaining positive cash flow across his investment portfolio. His 2024 tax filings and business financial statements show strong income and reserves. The property at 2012 1st Avenue has maintained a 90% occupancy rate since acquisition and generates sufficient income to service the proposed debt. Personal financial statements show total assets of \$370,000, liabilities of \$233,000, and liquid reserves of \$40,000, demonstrating sound financial standing and adequate personal backing for the loan request.

Management skill of the applicant:

Since acquiring the 2012 1st Avenue building in 2024, Mr. Bulanja has increased rental income by 10% by stabilizing tenancy and reducing annual maintenance expenses by 15%. His hands-on management approach emphasizes preventative maintenance, occupancy retention, and cost control, aligning with HEDA’s goals for sustainable downtown investment.



Hibbing Economic Development Authority 2012 1st Avenue Loan Write Up

Collateral offered and lien position:

The HEDA loan will be secured by a mortgage on the property located at 2012 1st Avenue, Hibbing, MN, in a subordinate position to the Northland Foundation loan. HEDA will also require a personal guarantee from Mr. Bulanja. The collateral coverage is adequate based on the property's current and post-improvement value.

Staff Recommended Loan Terms:

Loan Amount: \$40,919

Interest Rate: 3.0% fixed

Term: 10 years, interest only for six months or until full disbursement of funds (whichever is sooner)

Payment: ACH required

Security: Subordinate mortgage on 2012 1st Avenue and personal guarantee

Conditions:

- Disbursement of loan proceeds contingent on confirmation of AEOA BER and Northland Foundation participation.
- Verification that property taxes and utilities are current.
- Proof of insurance listing HEDA as an additional insured and loss payee.
- ACH payment required.
- Personal guarantee required.

Staff Recommendation:

Staff recommends approval of a \$40,919 HEDA Revolving Loan to Bulanja Investments, LLC for the rehabilitation and improvement of the property located at 2012 1st Avenue, Hibbing, MN.

The project meets HEDA's Revolving Loan Fund priorities by supporting downtown redevelopment, preserving mixed-use occupancy, and enhancing the long-term economic vitality of Hibbing's central business district.

At a regular meeting of the Board of Commissioners of the HIBBING ECONOMIC DEVELOPMENT AUTHORITY held Monday, November 10, 2025, at 5:00 p.m., _____ offered the following Resolution and moved its adoption:

RESOLUTION No. 2025-11-_____

RESOLUTION APPROVING THE SUBORDINATION
OF HEDA'S MORTGAGE FROM
RICHARD LEES AND SHERRI LEES

WHEREAS, Richard Lees and Sherri Lees, applied for and received a loan for \$40,000.00 from the Hibbing Economic Development Authority (HEDA) on or about May 15, 2023; and,

WHEREAS, Richard Lees and Sherri Lees, in consideration, for the loan provided by HEDA to Richard Lees and Sherri Lees, granted to HEDA a mortgage in the amount of \$40,000.00 against the real property located at 3904 13th Avenue East, Hibbing, and which Mortgage was dated May 15, 2023, and was recorded with the St. Louis County Recorder's Office on May 25, 2023, as Document No. 01467094; and,

WHEREAS, Richard Lees and Sherri Lees, represented to HEDA that it would be in a junior position with regard to its security for said loan; and,

WHEREAS, Park State Bank is now providing further loan assistance to Richard Lees and Sherri Lees, and requests HEDA subordinate its Mortgage to that of Park State Bank in order to facilitate its loan to Richard Lees and Sherri Lees; and,

WHEREAS, HEDA believes it is in the best interests of the community to aid Richard Lees and Sherri Lees, in completing its renovations of the property located at 3904 13th Avenue East, Hibbing, by subordinating its Mortgage to that of Park State Bank such that Park State Bank shall grant a loan to Richard Lees and Sherri Lees.

NOW, THEREFORE, IT IS HEREBY RESOLVED that HEDA hereby agrees to subordinate its Mortgage recorded as Document No. 01467094 to the Mortgage of Park State Bank in an amount which is currently unknown and at a rate of ____ amortized over ____ years and further authorizes the President and Clerk of HEDA to execute

HEDA Resolution 2025-11-_____
November 10, 2025

said Subordination in substantially the form attached hereto and made a part hereof.

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:

ABSTAINING:

ABSENT:

Adopted and passed this 10th day of November, 2025.

HIBBING ECONOMIC DEVELOPMENT AUTHORITY

President Shari Majkich Brock

ATTEST:

CERTIFICATION

I hereby certify that the foregoing Resolution is a true and correct copy of the Resolution adopted and passed by the Hibbing Economic Development Authority at its regular meeting held Monday, November 10, 2025.

Candie Seppala
Senior Executive Assistant

HEDA Resolution 2025-11-____
November 10, 2025

(Top 3 inches reserved for recording data)

SUBORDINATION AGREEMENT

by Business Entity

DATE: _____

FOR VALUABLE CONSIDERATION, the undersigned hereby subordinates the lien on real property in **St. Louis** County, Minnesota, legally described as follows:

Parcel 1:

The Northerly 175 feet of all that part of the following described tract of land in the SW1/4 of the SE1/4, Section 19, Township 57, Range 20, more particularly described as follows: Assuming that the South line of the SW1/4 of the SE1/4 of said Section 19 runs due East and West; from a point in the West line of the said forty 413 feet Southerly from the Northwest corner of the same, run North 89 degrees 35 minutes 45 seconds East 33.25 feet to the point of beginning; thence North 89 degrees 35 minutes 45 seconds East 302.13 feet; thence North 6 degrees 25 minutes 15 seconds East 380 feet; thence South 89 degrees 35 minutes 45 seconds West 302.13 feet; thence in a straight line to the point of beginning; EXCEPT that part thereof described as follows: Which lies Westerly of a line run parallel with and distant 180 feet Easterly of the following described line: Beginning at a point on the South line of said Section 19, distant 75.9 feet East of the South Quarter corner thereof; thence run Northerly at an angle of 83 degrees 34 minutes 30 seconds with said South section line (when measured from East to North) for 1500 feet and there terminating, in addition to the existing highway.

Subject to legalized roads, streets, and highways.

EXCEPT minerals and mineral rights.

Parcel 2:

A parcel of land in the SW1/4 of the SE1/4 of Section 19, Township 57, Range 20, more particularly described as follows: Assuming that the South line of the Southwest Quarter of the Southeast Quarter of Section 19, runs due East and West; from a point on the South line of said forty 660.19 feet East of the Southwest corner of said forty, thence North 5 degrees 27 minutes East 33.2 feet; thence North 5 degrees 27 minutes East 973.38 feet to the point of beginning; thence North 5 degrees 27 minutes East 261.68 feet to a point; thence South 89 degrees 35 minutes 45 seconds West 303.7 feet to a point; thence South 6 degrees 25 minutes 15 seconds West 260.15 feet to a point; thence North 89 degrees 58 minutes 10 seconds East 307.93 feet to the point of beginning.

EXCEPT minerals and mineral rights.

Parcel 3:

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line of said forty 413 feet Southerly from the Northwest corner of the same run North 89 degrees 35 minutes 45 seconds East 33.25 feet to the point of beginning; thence North 89 degrees 35 minutes 45 seconds East 302.13 feet; thence North 6 degrees 25 minutes 15 seconds East 380 feet; thence South 89 degrees 35 minutes 45 seconds West 302.13 feet; thence in a straight line to the point of beginning.

EXCEPT that certain part thereof described as follows, to-wit: That part of the SW1/4 of the SE1/4 of Section 19, Township 57, Range 20, described as follows: The Southerly 105.0 feet of all that part of the following described tract of land in said SW1/4 of the SE1/4, more particularly described as follows: Assuming that the South line of the SW1/4 of the SE1/4 of said Section 19 runs due East and West; from a point in the West line of the said forty 413 feet Southerly from the Northwest corner of same, run North 89 degrees 35 minutes 45 seconds East 33.25 feet to the point of beginning; thence North 89 degrees 35 minutes 45 seconds East 302.13 feet; thence North 6 degrees 25 minutes 15 seconds East 380 feet; thence South 89 degrees 35 minutes 45 seconds West 302.13 feet; thence in a straight line to the point of beginning.

EXCEPT that part thereof described as follows, to-wit: Which lies Westerly of a line run parallel with and distant 180 feet Easterly of the following described line: Beginning at a point on the South line of said Section 19, distant 75.9 feet East of the South Quarter corner thereof; thence run Northerly at an angle of 83 degrees 34 minutes 30 seconds with said South Section line (when measured from East to North) for 1500 feet and there terminating; in addition to the existing highway; EXCEPTING, further, minerals and mineral rights reserved.

EXCEPT that certain part thereof described as follows, to-wit: The Northerly 175 feet of all that part of the following described tract of land in the SW1/4 of the SE1/4 of Section 19, Township 57, Range 20, more particularly described as follows: Assuming that the South line of the Southwest Quarter of the Southeast Quarter of said Section 19 runs due East and West; from a point in the West line of the said forty 413 feet Southerly from the Northwest corner of the same, run North 89 degrees 35 minutes 45 seconds East 33.25 feet to the point of beginning; thence North 89 degrees 35 minutes 45 seconds East 302.13 feet; thence North 6 degrees 25 minutes 15 seconds East 380 feet; thence South 89 degrees 35 minutes 45 seconds West 302.13 feet; thence in a straight line to the point of beginning; EXCEPT that part thereof described as follows, to-wit: Which lies Westerly of a line run parallel with and distant 180 feet Easterly of the following described line: Beginning at a point on the South line of said Section 19, distant 75.9 feet East of the South Quarter corner thereof; thence run Northerly at an angle of 83 degrees 34 minutes 30 seconds with said South section line (when measured from East to North) for 1500 feet and there terminating; in addition to the existing highway.

SUBJECT to legalized roads, streets and highways.

EXCEPT minerals and mineral rights.

Check here if all or part of the described real property is Registered (Torrens)

which is evidenced by a **Mortgage** and by a **Mortgage** dated **May 15, 2023**, and recorded on **May 25, 2023**, as Document Number **01467094**, in the Office of the **County Recorder of St. Louis** County, Minnesota,

to a subsequent lien evidenced by a **Mortgage** from **Richard Lees and Sherri Lees, married to each other**, to **Park State Bank**, in an amount not to exceed **Two Hundred Fifty Thousand and No/100ths** Dollars (**\$250,000.00**) and recorded on _____, as Document Number _____, in the Office of the **County Recorder of St. Louis** County, Minnesota.

HIBBING ECONOMIC DEVELOPMENT AUTHORITY

By: _____
Shari Majkich Brock

Its: **President**

By: _____
Steve Jurenes

Its: **Vice President**

State of Minnesota)
)ss
County of St. Louis)

This instrument was acknowledged before me on _____, **2025**, by **Shari Majkich Brock** as **President of Hibbing Economic Development Authority**.

(Stamp)

(signature of notarial officer)

Title (and Rank): Notary Public

My commission expires: _____
(month/day/year)

State of Minnesota)
)ss
County of St. Louis)

This instrument was acknowledged before me on _____, **2025**, by **Steve Jurenes** as **Vice President of Hibbing Economic Development Authority**.

(Stamp)

(signature of notarial officer)

Title (and Rank): Notary Public

My commission expires: _____
(month/day/year)

THIS INSTRUMENT WAS DRAFTED BY:
Andy Borland, #20710X
Attorney at Law
SELLMAN BORLAND & SIMON PLLC
1907 Third Avenue East, Suite 2, PO Box 37
Hibbing, Minnesota 55746
Telephone: 218-262-5502
Fax: 218-263-4060 kb
Email: attorneys@sellmanborlandsimon.com

Park State Bank

November 3, 2025

To: Hibbing Economic Development Authority

Re: Richard & Sherri Lees Mortgage Subordination Request

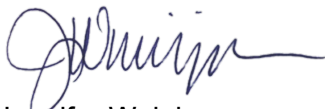
Park State Bank ('the Bank') currently holds first and second mortgages on the property located at 3920 13th Ave E, Hibbing which is owned by Richard & Sherri Lees. The Bank has approved financing up to \$250,000.00 for improvements to the property. The Bank will place another mortgage on the property and requests that Hibbing Economic Development Authority ('HEDA') subordinates the mortgage it holds on this property to the Bank.

The mortgage the Bank is requesting to be subordinated is as follows:

- Mortgage dated May 15, 2023, recorded on May 25, 2023 as Document No. 01467094, securing \$40,000 executed by Richard Lees and Sherri Lees, married to each other, to Hibbing Economic Development Authority.

Please approve this subordination request. We are working with Sellman Title on the new mortgage and they can assist in filing the formal satisfaction of mortgage. Let me know if you need any more information.

Thank you,



Jennifer Wainionpaa
VP Business Banking Officer
jwainionpaa@parkstatebank.com
(218) 231-8008

(Top 3 inches reserved for recording data)

SUBORDINATION AGREEMENT

by Business Entity

DATE: _____

FOR VALUABLE CONSIDERATION, the undersigned hereby subordinates the lien on real property in **St. Louis** County, Minnesota, legally described as follows:

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EXCEPTING, further, minerals and mineral rights reserved.

EXCEPT that certain part thereof described as follows, to-wit: The Northerly 175 feet of all that part of the following described tract of land in the SW1/4 of the SE1/4 of Section 19, Township 57, Range 20, more particularly described as follows: Assuming that the South line of the Southwest Quarter of the Southeast Quarter of said Section 19 runs due East and West; from a point in the West line of the said forty 413 feet Southerly from the Northwest corner of the same, run North 89 degrees 35 minutes 45 seconds East 33.25 feet to the point of beginning; thence North 89 degrees 35 minutes 45 seconds East 302.13 feet; thence North 6 degrees 25 minutes 15 seconds East 380 feet; thence South 89 degrees 35 minutes 45 seconds West 302.13 feet; thence in a straight line to the point of beginning; EXCEPT that part thereof described as follows, to-wit: Which lies Westerly of a line run parallel with and distant 180 feet Easterly of the following described line: Beginning at a point on the South line of said Section 19, distant 75.9 feet East of the South Quarter corner thereof; thence run Northerly at an angle of 83 degrees 34 minutes 30 seconds with said South section line (when measured from East to North) for 1500 feet and there terminating; in addition to the existing highway.

SUBJECT to legalized roads, streets and highways.

EXCEPT minerals and mineral rights.

Check here if all or part of the described real property is Registered (Torrens)

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to a subsequent lien evidenced by a **Mortgage** from **Richard Lees and Sherri Lees, married to each other**, to **Park State Bank**, in an amount not to exceed **Two Hundred Fifty Thousand and No/100ths** Dollars (**\$250,000.00**) and recorded on _____, as Document Number _____, in the Office of the **County Recorder of St. Louis** County, Minnesota.

HIBBING ECONOMIC DEVELOPMENT AUTHORITY

By: _____
Shari Majkich Brock

Its: **President**

By: _____
Steve Jurenes

Its: **Vice President**

State of Minnesota)
)ss
County of St. Louis)

This instrument was acknowledged before me on _____, **2025**, by **Shari Majkich Brock** as **President of Hibbing Economic Development Authority**.

(Stamp)

(signature of notarial officer)

Title (and Rank): Notary Public

My commission expires: _____
(month/day/year)

State of Minnesota)
)ss
County of St. Louis)

This instrument was acknowledged before me on _____, **2025**, by **Steve Jurenes** as **Vice President of Hibbing Economic Development Authority**.

(Stamp)

(signature of notarial officer)

Title (and Rank): Notary Public

My commission expires: _____
(month/day/year)

THIS INSTRUMENT WAS DRAFTED BY:
Andy Borland, #20710X
Attorney at Law
SELLMAN BORLAND & SIMON PLLC
1907 Third Avenue East, Suite 2, PO Box 37
Hibbing, Minnesota 55746
Telephone: 218-262-5502
Fax: 218-263-4060 kb
Email: attorneys@sellmanborlandsimon.com

14. Regional animal control specialists at Stone River have been contacted and are preparing a pigeon mitigation plan. Dore to coordinate on the plan and present to LHB/City of Hibbing.
15. Dore will coordinate with the city for contact to allow a 3rd party to remove prism windows on the north and east face of Building 416.
16. Dore to provide draft staging / access control plan at next OAC meeting.
17. LHB to provide status update to Betsy Olivanti ahead of the HEDA monthly meetings on Thursday before the meetings, which occur on the second Monday of each month. Nov 10 is the next meeting.

End of minutes

c: LHB Project No. 250159

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Asbestos Contractor License

Minnesota Department of Health
St Paul, MN

Dore & Associates, Inc.
PO Box 338
Bay City, MI 48707

Responsible Individual: Scott Cianek

This license is valid from October 24, 2025 to October 24, 2026

Pursuant to Minnesota Statutes, section 144.99, this license may be suspended or revoked for failure to conduct asbestos-related work in compliance with applicable regulations.

Asbestos-related work must be conducted according to Minnesota Statutes, sections 326.70 to 326.81 and Minnesota Rules, parts 4620.000 to 4620.3724.

License Number: ACL-210

Dr. Brooke Cunningham
Commissioner





Asbestos Supervisor Certification

Minnesota Department of Health

Number ASB-3018
Scott Cianek
900 HARRY TRUMAN PKWY
Bay City, MI 48706

Issue Date:
October 23, 2025

Expiration Date:
October 17, 2026



HFD Mission: *To provide essential public safety services that our community can trust, rely on, and be proud of.*

HIBBING FIRE DEPARTMENT – HOWARD STREET TRAINING SUMMARY

The Hibbing Fire Department conducted a series of four advanced, hands-on training classes utilizing the vacant buildings on Howard Street, providing firefighters with a rare opportunity to train in actual Type III (ordinary construction) commercial structures. These sessions focused on enhancing operational readiness, firefighter safety, and interagency coordination in realistic downtown environments. An invitation was extended to multiple mutual aid departments, and participants from Chisholm, Keewatin, Duluth, Cherry, and Greenway attended alongside Hibbing Station 2 personnel.

The first training, Vertical Rope Rescue (CMC Rope Rescue/Arizona Vortex Refresher), was held on September 16, 2025, and focused on high- and low-angle rope rescue utilizing the Arizona Vortex system and aerial device anchoring. Firefighters practiced vertical and horizontal litter operations and simulated confined-space and shaft rescues, with a total of 26 participants.

The second session, Building Construction Walkthrough, took place between September 22 and 29, 2025, at 412 E Howard Street and the Teske Building, where 40 participants examined Type III building features such as void spaces, cocklofts, parapets, and utility chases. This class allowed firefighters to observe exposed Type III construction prior to demolition, gaining valuable insight into fire behavior and collapse hazards.

The third training, Hose Advancement and Overhaul, was conducted between September 30 and November 7, 2025, with 32 participants. Under the instruction of Training Officer Jake Woinarowicz and Lead Instructor Joe Carney, firefighters reviewed hose deployment strategies, nozzle operations, water mapping, and overhaul techniques. A practical evolution drill required crews to advance a hose line to the second story of the structure and perform post-knockdown overhaul, reinforcing teamwork, communication, and tactical decision-making.

The final training in the series, Search and Rescue/Vertical Ventilation, held October 14 through November 10, 2025, combined interior search operations with flat roof ventilation techniques. Thirty-five participants practiced evidence-based search tactics, victim drag techniques, and safe roof cutting procedures using the 7-9-8 coffin cut method under the supervision of Training Officer Woinarowicz, Captain Dustin Kunnari, and Battalion Chief Shawn Nickila.



HFD Mission: *To provide essential public safety services that our community can trust, rely on, and be proud of.*

Across all four sessions, there were a total of 138 training participations, with several firefighters attending multiple sessions. The combined program provided high-value, scenario-based learning in real-world structures, strengthened interdepartmental relationships, and enhanced regional preparedness for responses in the downtown corridor. Participating agencies included the Hibbing Fire Department, Chisholm Fire Department, Keewatin Fire Department, Duluth Fire Department, Cherry Fire Department, and Greenway Fire Department.

PROGRAM TOTALS

Training Class	Attendance	Duration	Focus Area
Vertical Rope Rescue	26	8 hrs	Technical Rescue
Building Construction Walkthrough	40	2.5 hrs	Building Behavior / Fire Spread
Hose Advancement & Overhaul	32	4 hrs	Fire Attack & Overhaul
Search & Rescue / Vertical Ventilation	35	5 hrs	Interior Ops & Ventilation
Total Participation Instances	133	—	—

Thank you again for the opportunity. Let me know if you have any questions.



Jake Woinarowicz
 Captain/Paramedic
 Training Officer

jakewoinarowicz@hibbingmn.gov

Phone: 218.403.7570

Fax: 218.263.4020

Hibbing Fire Department.
 2320 Brooklyn Drive
 Hibbing, MN 55746

**AGREEMENT BETWEEN
ADVANCED MACHINE GUARDING SOLUTIONS AND
HIBBING ECONOMIC DEVELOPMENT AUTHORITY**

WHEREAS, Hibbing Economic Development Authority ("HEDA") has contracted with Kraus-Anderson for the building of a manufacturing facility for Advanced Machine Guarding Solutions ("AMGS") on East 13th Street in Hibbing; and,

WHEREAS, said Contract did not contemplate other items that AMGS would need to properly operate its business. These items would include:

- Additional items for the automatic power coat system
- Guard railing around equipment and pallet racking
- Additional items for Fab Centers that had previously been executed
- Machine Safety Welding robot
- Office Furnishings
- Equipment moving
- Equipment assembly
- Laser welder
- Laser Room Enclosure
- Pallet Racking
- Windbreak
- Material sheet pallets
- Scissor lifts for ergonomics
- Pallet jacks
- Additional electric and breaker boxes for equipment expansion

and,

WHEREAS, AMGS has already purchased and installed a number of these items and are prepared to purchase and install the remainder.

NOW, THEREFORE, IT IS HEREBY understood and agree:

1) That for the purposes of this Agreement all of the items referred to above are considered fixtures to the building and as such are owned by HEDA as it presently is the owner of the property/building.

2) That AMGS warrants that the installation of said items referred to above were and/or will be performed in a workmanlike and

Agreement
AMGS and HEDA
Drafted November 11, 2025

professional manner and AMGS warrants its work with respect to said installation.

3) Should AMGS ever vacate the facility while HEDA is the owner, AMGS may not remove any of the personal property referred to above without the express written consent of HEDA.

Dated: _____

Dated: _____

**ADVANCED MACHINE GUARDING
SOLUTIONS**

**HIBBING ECONOMIC DEVELOPMENT
AUTHORITY**

Jason Wobbema
Its: President

Shari Majkich Brock
Its: President

AGREEMENT FOR SERVICES

Agreement made and entered into by and between **the City of Hibbing (City) and the Hibbing Economic Development Authority (HEDA) and Sellman Borland & Simon PLLC, primarily attorney Andy Borland (Contractor).**

1. **Description of Services.** As City Attorney, Contractor agrees to provide legal services to the City and HEDA which shall include but not be limited to the following:
 - a) Attend all City Council and Workshop Meeting of the Council unless specifically advised not to.
 - b) Review, revise and prepare Contracts and Agreements for and on behalf of the City as it relates to all City business except for labor negotiations, grievances, etc.
 - c) Provide opinions to the Council, individual Council Members, the City Administrator and City Department Heads with regard to all issues related to City business except for labor negotiations, grievances, etc.
 - d) Represent the City in Court proceedings which can include initiating and defending the City in various Court and administrative proceedings.
 - e) Be accessible to the City staff and Council as soon as reasonably possible to provide advice and counsel as to all issues pertaining to the City.
 - f) Attend all HEDA meetings and workshops unless specifically advised not to.
 - g) Advise the HEDA Board and individual Board Members with regard to all issues relating to HEDA.
 - h) Work with HEDA staff and City staff to see that HEDA objectives are carried out.
 - i) Represent HEDA in initiating and defending claims with respect to HEDA.
 - j) Respond to phone calls, emails, etc., with respect to all City business.

2. **Term of Agreement.** This agreement shall become effective upon execution by both parties and shall remain in effect until all obligations set forth in this Agreement have been satisfactorily fulfilled or the Agreement is terminated pursuant to paragraph 5.F.

3. **Compensation.** Payment for services to be provided under this Agreement shall be at a rate of \$180.00 per hour for attorney time and \$130.00 per hour for paralegal time and shall be billed monthly. Any travel or other direct or out-of-pocket costs incurred by Contractor shall be submitted with said monthly billing.

4. **Subcontractors and Other Terms and Conditions.** Contractor is not authorized to subcontract any portions of this work without prior written authorization of the City Administrator.

5. **General Terms and Conditions.**

A. Qualifications. Contractor represents it is qualified to perform services set forth herein.

B. Contractor Relationship to City and HEDA. Contractor is not an employee of either the City or HEDA but is an independent contractor to the City and HEDA. The City and HEDA do not retain the right to control and direct Contractor as to details and the means by which assignments are accomplished.

C. Amendments. Any alteration, variation, modification or waivers of the terms of this agreement shall be binding on the City and HEDA and Contractor only upon being reduced to writing and signed by an authorized representative of each party.

D. Assignment. Contractor represents that only it and any approved subcontractors will perform the services set forth herein, and further agrees that it will neither assign, transfer or subcontract any rights or obligations under this agreement without prior written consent of the City Administrator.

E. Data and confidentiality.

1. The City and HEDA shall make available all pertinent information, data and records under its control for

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drafted October 1, 2025

Contractor to use in the performance of this Agreement and will assist Contractor wherever possible in obtaining such records data and information.

2. All reports, data, information, documentation and material given over to or prepared by Contractor pursuant to this Agreement will be confidential and will not be released by Contractor without authorization from the City Administrator.

F. Termination. Either party upon 30 days written notice may terminate this Agreement. Upon termination, Contractor will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed. This Agreement is specifically for the 2026 calendar year. It shall automatically renew each year unless modified in writing.

IN WITNESS WHEREOF, the parties have hereunto set their hands and each warrant that they are empowered to execute this Agreement as stated herein.

CITY OF HIBBING

By 
Pete Hyduke

Its Mayor

Date 11/5/2025

By 
Candie Seppala

Its Clerk

Date 11/5/2025

HEDA

By _____
Shari Majkich Brock
Its President

Date _____

By _____
Steve Jurenes
Its Vice President

Date _____

CONTRACTOR
SELLMAN BORLAND & SIMON, PLLC

By _____
 Andy Borland
Its Chief Manager

Date _____