HIBBING ECONOMIC DEVELOPMENT AUTHORITY
Regular Meeting
Tuesday, March 3, 2026
5:00 PM

President Steve Jurenes	City Administrator Greg Pruszinske
Vice President Celia Cameron	Finance Dir - Treasurer Sheena Mulner
Councilor John Schweiberger	City Attorney Andy Borland
Councilor Jennifer Hoffman Saccoman	Community Dev. Director Betsy Olivanti
Mayor Pete Hyduke	
Member Mike Egan	**Members may participate through remote technology**
Member Shari Majkich Brock	

I. CALL TO ORDER:

II. ADDS AND DELETES: NONE

III. APPROVAL OF THE AGENDA:

1. Modify: VI.4 was moved to X.1, re-ordered agenda to move Local Housing Trust Fund and Loan Requests in front of the Department and Committee Reports, and re-ordered IX.1 to address engineering change order as first item.

IV. APPROVAL OF MINUTES:

1. Approve the Minutes of the Hibbing Economic Development Authority Meeting of February 3, 2026

V. CONSENT AGENDA:

1. Affirm the Economic Development Loan Fund account balance as of February 28, 2026 in the amount of $1,824,591.25
2. Approve disbursements for the month of February in the amount of $55,951.74
    1. Fund 250 (HEDA ED/Rev Ln Fd) - $42,210.01
    2. Fund 255 (HEDA General Fd) - $10,783.73
    3. Fund 392 (TIF#12 DS Fd) - $991.30
    4. Fund 418 (Downtown Capital Prjt Fd) - $1,526.20
    5. Fund 440 (Tax Abatement Prjt Fd) - $0
    6. Fund 422 (Deferred Loan Fund) - $0
    7. Fund 610 (HEDA – AMGS) - $440.50
3. Set the next regular HEDA Meeting for Tuesday, April 14, 2026 at 5 p.m. in the Hibbing City Hall Council Chambers.

VI. PRESENTATIONS:

1. AEOA Local Housing Trust Fund Application for Owner Occupied Rehab Project -

Beth Davies

2. North St. Louis County Habitat for Humanity Local Housing Trust Fund Application for New Construction Project - N. Thompson

3. HEDA Loan Request - K. Dropkin

VII. LOCAL HOUSING TRUST FUND REQUESTS:

1. Consider application from AEOA for owner occupied rehabilitation program.

2. Consider application from North St. Louis County Habitat for Humanity new construction project.

VIII. LOAN REQUESTS:

1. Consider the application from Granite Homes, LLC for a revolving loan.

IX. DEPARTMENT AND COMMITTEE REPORTS:

1. Community Development Director Betsy Olivanti

a. Approve 400 Block Demolition change order and establish contingency budget.

b. OFFER RESOLUTION 26-03-01 SUPPORTING WORKFORCE HOUSING PROJECT AND CREATION OF TAX INCREMENT FINANCING DISTRICT

c. Approve Revised HEDA Loan Application

d. Approve revised HEDA Deferred Loan Program Guidelines

2. Finance Director-Treasurer Sheena Mulner

a. HEDA Loan Balances

3. City Attorney Andy Borland

X. DISCUSSION ITEMS:

1. Jefferson Redevelopment Project - Northshore Development Co.

2. 400 Block Redevelopment Project Updates (Demo and Iron Exchange at 400) - Staff

XI. ADJOURNMENT:

THE MINUTES OF THE REGULAR MEETING OF THE
HIBBING ECONOMIC DEVELOPMENT AUTHORITY
Feb. 3, 2026

Meeting Information:

- Location: Hibbing City Hall Council Chambers
- Attendees: Present at roll call were President Steve Jurenes, Mayor Pete Hyduke, Member John Schweiberger, Member Jennifer Hoffman Saccoman, Vice President Celia Cameron, Member Mike Egan and Member Shari Majkich Brock. Also present were Attorney Andy Borland, Finance Director Sheena Mulner, City Administrator Greg Pruszinski and Community Development Director Betsy Olivanti.

I. **CALL TO ORDER:** President Steve Jurenes called the meeting to order at 5 p.m.

II. **Approval of Agenda:**

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

III. **APPROVAL OF MINUTES:**

1. Schweiberger supported by Cameron moved to approve the minutes of the Hibbing Economic Development Authority Meeting of January 6, 2026. Motion carried.

IV. **CONSENT AGENDA:**

Hoffman Saccoman supported by Hyduke moved to approve the consent agenda as read and published. Motion carried.

1. Affirm the Economic Development Loan Fund account balance as of January 31, 2026 in the amount of $1,323,149.12

2. Approve disbursements for the month of December in the amount of $268,256.84

   1. Fund 250 (HEDA ED/Rev Ln Fd) - $137,717.20
   2. Fund 255 (HEDA General Fd) - $41,913.86
   3. Fund 392 (TIF#12 DS Fd) - $55,242.50
   4. Fund 418 (Downtown Capital Prjt Fd) - $4,602.00
   5. Fund 440 (Tax Abatement Prjt Fd) - $27,383.18
   6. Fund 422 (Deferred Loan Fund) - $0

7. Fund 610 (HEDA – AMGS) - $1,398.10

3. Set the next regular HEDA meeting for March 3, 2026, at 5 p.m. in the Hibbing City Council Chambers.

V. PRESENTATIONS:

1. The Iron Exchange at 400 Update – Mike Kappers of Rebound Partners & Shane Nies of Architectural Advantage

   - The number of units has increased to 71 with the addition of an extra level of apartments (increase to 4 levels of residential) which is still allowable by zoning code. They met with city officials to discuss next steps, including permitting, and future work with the Planning Commission and the Heritage Preservation Commission for façade related work. Next month they plan to have schematic design renderings of the project including updated floor plans. The need for increased parking is occurring in alignment with the current downtown parking study. That discussion is ongoing at this time. Current plans are showing 49-51 spots underground and 15 surface level, which does not meet the current requirement of 2 per unit. Olivanti noted that the Engineering Department is involved with the parking/traffic study, and this project may require some adjustments. The study will be presented it the city council later this month.

   - Also a question about residential versus commercial on the first floor in terms of zoning compliance. Attorney Borland said that discussion has started with the Planning/Zoning Administrator.

   - Olivanti reminded members that demolition is a separate project and recapped the schedule, adding she will keep all updated.

   - Next month members can expect to see a resolution in support of a TIF district for this project. In order to secure some gap funding for this project through the IRRR, they're requesting that both the EDA and the city do some of those commitments in advance from the resolution of support for those particular projects.

2. Cobb Cook Place Local Housing Trust Fund Application - J. Prescott of the Hibbing HRA

   - Formal request for the release of $376,293 from the Housing Trust Fund that will be used as owner equity by the HRA at closing for this project (total cost of project is a little bit shy of $26.6 million). At closing, the HRA will still be waiting on some environmental but need to have that cash on hand to count towards its owner's equity.

   - Olivanti explained the $376,293 is accumulation of a couple of different pots of funding: One was the state appropriation housing aid that was approved in the 2023 legislature (roughly $133,000). Second, there was also a return of TIF from the Androy project (district was decertified at the end of 2022). The final was a return of the loan dollars that the Androy project paid off at the end of their 30-year project (the EDA forgave the rest of that loan that was created with the CDBG grant from St. Louis County, and then paid back some funding). All three portions of this funding has already been approved by the HEDA board in prior actions.

VII. DEPARTMENT AND COMMITTEE REPORTS:

1. Community Development Director Betsy Olivanti

a. Approve Agreement with NTS for the North Hibbing Industrial Shovel Ready site project. This project is 50% funded by an IRRR Development Partnership grant received at the end of 2025.

- Hyduke supported by Egan motioned to approve the agreement. Motion passed.

b. Approve extension of Pre-Development Agreement with Rebound Partners for the 400 Block Redevelopment Project through July 31, 2026.

- Hyduke supported by Hoffman Saccoman motioned to approve the extension from Feb. 11 to July 31, 2026. Motion passed.

c. Final Relocation Report on Hibbing Parents Nursery School.

- Update only: They are fully moved into the new location and completely out of the former Jefferson school, signifying the completion of relocation. There is a final bill request of $8,213.12, bringing the final total for relocation and renovations at new location to $71,494.19. New location is working out well, all are pleased.

d. RESOLUTION 26-02-01 FINDING PARCEL IS OCCUPIED BY STRUCTURALLY SUBSTANDARD BUILDING at 2810 DIANE LANE, HIBBING, MN 55746 – Jefferson school redevelopment site

- Schweiberger supported by Egan motioned to adopt the resolution. Motion carried.

2. Finance Director-Treasurer Sheena Mulner

A. HEDA Loan Balances Updates:

1. Kitsville Body paid their loan off early (on Jan. 21).
2. Yoder Building Supplies has made a couple of draws on their loans, and now the total drawn to date is $137,717.20.
3. Range Steel Fabricators drew their full amount and will be in principal and interest this month.
4. Cash balances in the funds:
    a. Fund 250 HEDA Economic Development Revolving Fund has a balance of $1,201,742.96. We have a few commitments approved but, not drawn, so the available amount to lend is $931,047.97.
    b. Fund 420 Renovation Fund has cash of $218,988.97 with no commitments
    c. No new funding in the Deferred Loan Program and the account balance remains at $0.

B. Offer Resolution No. 26-02-02 repaying Interfund Loan from HEDA Building Fund to HEDA Revolving Loan Fund.

Hyduke supported by Cameron motioned to adopt the resolution. Motion carried.

C. Offer Resolution No. 26-02-03 authorizing the net proceeds from the sale of 1111 E 7th Ave. in the amount of $150,306.64 be transferred to the land acquisition fund.

Brock supported by Egan motioned to adopt the resolution. Motion carried.

3. City Attorney Andy Borland

Update on court proceedings relative to Arrowhead Motorcycle Apparel & Supplies and Moxie

VI. LOAN REQUESTS:

LOCAL HOUSING TRUST FUND REQUESTS:

1. Approve Local Housing Trust Fund application for the HRA of Hibbing's Cobb Cook Place in the amount of $376,293 in a grant to be used as equity for the project at 630 New Haven Drive, Hibbing.

Hoffman Saccoman supported by Hyduke motioned to approve the application. Motion carried.

VII. DISCUSSION ITEMS:

1. 400 Block Demo Project Update

Update from LHB provide in packet. Asbestos abatement is underway. More work begins Feb. 5. March 16th is installation of the fence and demo mobilization will begin.

Parties interested in items on buildings have been contacted; no parties have come forward. Everything is on schedule at this time. Also noted that 507 Howard is part of the plan and engineering to ensure the adjoining building is not disturbed is occurring.

VIII. ADJOURNMENT:

There being no further items on the agenda, a motion was made by Hyduke and supported by Schweiberger to adjourn the meeting at 5:37 p.m. Motion carried.

President Steve Jurenes	Community Development Dir. Betsy Olivanti

Request for Council Action

City Council Action

Description of Agenda Item

Strategic Initiative

Owner of Agenda Item

Introduction/Background/Justification/Key Issues/Legal

Board/Commission/Committee Actions(s):

Approve disbursements for the month of February in the amount of $55,951.74

1. Fund 250 (HEDA ED/Rev Ln Fd) - $42,210.01
2. Fund 255 (HEDA General Fd) - $10,783.73
3. Fund 392 (TIF#12 DS Fd) - $991.30
4. Fund 418 (Downtown Capital Prjt Fd) - $1,526.20
5. Fund 440 (Tax Abatement Prjt Fd) - $0
6. Fund 422 (Deferred Loan Fund) - $0
7. Fund 610 (HEDA – AMGS) - $440.50

Budgetary/Fiscal Impact

Action Requested

Attachments

1. AP Check Report - 4557

APPENDIX A: Local HOUSING TRUST FUND APPLICATION

A. APPLICANT INFORMATION

Applicant Name: Arrowhead Economic Opportunity Agency, Inc.	
Address: 2900 E Beltline, Suite 9, Hibbing, MN 55746	
Phone: 218-735-6819	Email: beth.davies@aeoa.org
X	Brief organizational description, including history, and program documentation provided.
X	Brief description of the proposed project or program provided

B. PROJECT INFORMATION

1. The project will be:

X	Owner Occupied Rehabilitation	X	Sewer Lateral		Rehabilitation
	Multifamily Dwelling		New Construction		Rehabilitation
	Single Family Dwelling		New Construction		Rehabilitation

2. Funding Request

Amount of Funds Requested:				$75,000.00
X	Yes		N/A	Brief budget summary attached to this application

3. Project Site

Address or Parcel ID, if known	Multiple, unknown at time of application
Current Real Estate Taxes on Project Site:	$ Unknown
Estate Taxes upon Completion:	$ Unknown

4. Project Timeline

Start Date	Immediately upon approval
End Date	Continuous and ongoing until depletion of funds

C. PUBLIC PURPOSE

It is the policy of the City of Hibbing that the use of the Local Housing Trust Fund should result in a benefit to the public. Please indicate how this project will serve a public purpose. Select all that apply.

	New development, which will result in additional private investment in the area.
	Enhancement or diversification of the City's economic base.
	The project contributes to the fulfillment of the City's Comprehensive Plan.
	Removal of blight or the rehabilitation of a high profile or priority site.
	Significantly increase the City's tax base.
	Provides affordable housing.
	Provides variety of mixed-income housing options.
X	Other, please describe below.
Rehabiliation of the existing housing stock - eligible applicants are very-low income homeowners in the City of Hibbing.	

E. ADDITIONAL DOCUMENTATION AND CHECKLIST

	Project Plan, if needed
X	Organizational financial statements/990 filing/most recent audit
X	List of Board Members
*	Organizational resolution to seek funding
	Letters of support

*To be submitted following the 02/18/26 Board of Director's Meeting

The undersigned certifies all information provided in this application is true and correct to the best of the undersigned's knowledge. The undersigned also agrees to provide any additional information as may be requested by the HEDA Board after the filing of this application.

NOTICE TO APPLICANT: Data Practices Act

The information you supply in your application to the HRA will be used to assess your eligibility for this funding. Minnesota Statutes, Chapter 13 (Minnesota Government Data Practices Act) governs whether the information that you are providing to the HEDA Board is public or private. If financial assistance is provided for the project, the information submitted in connection with your application will become public, except for those items treated as private data under the Minnesota Government Data Practices Act.

I have read the above statement and I agree to supply the information to the HEDA Finance Committee and/or Board with full knowledge of the matters contained in this notice. I certify that the information submitted in connection with the application is true and accurate.

Applicant Name Beth Davies Date 02/06/26
Beth Davies, Lending & Construction Program Lead

AEOA

ARROWHEAD ECONOMIC OPPORTUNITY AGENCY

OUR AGENCY

The mission of AEOA is to strengthen communities by providing opportunities for people experiencing social and economic challenges.

Our vision is that all people served will make measurable progress toward self-reliance or independence.

The Arrowhead Economic Opportunity Agency (AEOA) was incorporated in April 1965, as a 501(c)(3) non-profit organization and established as a Community Action Program (CAP) for the Northeast Minnesota counties of St. Louis, Lake, and Cook in response to the 1964 Economic Opportunity Act. AEOA offers services in these counties, as well as in the nine neighboring counties of Aiken, Carlton, Cass, Chisago, Crow Wing, Isanti, Itasca, Koochiching, and Pine, making it one of the largest private, non-profit Community Action Agencies in Minnesota.

AEOA serves individuals of all ages and primarily serves low-income households and people experiencing life challenges preventing them from moving out of poverty. Over the past five decades, the Agency has grown in response to community needs and offers a range of services through six service departments including Employment and Training, Head Start, Housing Weatherization and Rehab, Housing Resources, Senior and Nutrition Services, and Transit. AEOA is a state-designated employment and training service provider, as well as a Community Housing and Development Organization. Not all AEOA programs are offered in all of these counties.

The Agency is governed by a 27-member Board of Directors, representing an equal cross-section of low-income individuals, public officials, and private sector parties. Employing over 350 full- and part-time employees and utilizing more than one thousand volunteers, AEOA is widely recognized as a primary support resource for the region's low-income population. AEOA is one of 1,000 Community Action Agencies across the country who together strive to live up to the promise of our founding.

Community Action comes out of President Lyndon B. Johnson's War on Poverty and from the advocacy of Dr. Martin Luther King, Jr. In 1964, President Lyndon Johnson signed the Economic Opportunity Act, declaring a "war on poverty." Community officials, service providers, schools, and neighbors came together to plan and implement programs and services to help low-income people and called it "Community Action."

REHABILITATION

AEOA began offering home rehabilitation programs to low-income homeowners in 1976.

AEOA currently administers rehabilitation programming through partnerships with Minnesota Housing (MHFA), St. Louis County Economic and Community Development, St. Louis County Planning and Zoning and the Lake County HRA. These programs have facilitated the rehabilitation of hundreds of homes throughout the Arrowhead region.

Current programs include MHFA Rehabilitation Loan Program, MHFA Emergency Loan Program, CDBG Single Family Rehabilitation Program, CDBG Limited Rehab Grant, St. Louis County Deferred Septic Loan, St. Louis County Low Interest Septic Loan, LCHRA Home Energy Improvement Program, LCHRA Emergency Grant.

Prior year loan and grant funding transactions totaled \$2.3 million, serving 85 households and 153 individuals.

HIBBING

AEOA

ARROWHEAD ECONOMIC OPPORTUNITY AGENCY

Local Housing Trust Fund Owner-Occupied Repair/Rehab Program Guidelines

Eligibility:

- Must be resident of Hibbing
- Must own and occupy home as principal residence for at least 6 months
- Must be current on property tax and mortgage payments, if applicable
- Must be within the program income limits – HUD 50% (very low) income, subject to change:

Household Size	Income Limits	Household Size	Income Limits
1	$35,250	5	$54,350
2	$40,250	6	$58,350
3	$45,300	7	$62,400
4	$50,300	8	$66,400

Deferred Loans: Loans available for home energy improvements or sewer lateral repair/replacement.

- *Home Energy Improvement Loan*
  - Eligible work items include: windows, doors, heating systems, water heaters, insulation, roofing
- *Sewer Lateral Loan*
  - Eligible when inspection has determined repair/replacement needed
  - 6-month requirement may be waived for Buyer purchasing home in need of repair/replacement
- No monthly payment, forgivable if you continue to own and occupy home as principal residence
- Secured by mortgage lien, 5 year term, 0% interest
- Maximum Loan Amount: $10,000
- Minimum Loan Amount $1,000

Emergency Grants: Grants available for emergency repairs.

- Eligible work items include: repairs to restore heat, water, electricity or remedy a situation that compromises health/safety
- Maximum Grant Amount: $1,000

AEOA CONTACT INFORMATION

Beth Davies, Lending & Construction Program Lead
(218) 735-6819
beth.davies@aeoa.org
www.aeoa.org

Local Housing Trust Fund Owner-Occupied Repair/Rehab Program Guidelines

Additional program guidelines:

- AEOA is Lender and services all loans
- Loan funds can be used for eligible repair/replacement, O&E report, mortgage recording fee
- Compensation (delivery fees) for administration of the program as follows:
  - Loans: $700 or 14% of loan amount, whichever is greater
    - Maximum delivery available is $1,400 with $10,000 loan amount
  - Grants: $200
- Repayment of loans to revolve back into AEOA's program specific fund, when applicable
  - Re-use of funds will align with program guidelines

Initial program budget:	**$75,000**
Grant emergency funds (15 grants):	$15,000
Grant delivery fees:	$3,000
Loan funds (5 loans):	$50,000
Loan delivery fees:	$7,000

Vision

This program will help to fill gaps in current available funding and serve those most in need. It will help to remedy blight, preserve our housing stock and stabilize our property tax base.

ARROWHEAD ECONOMIC OPPORTUNITY AGENCY

BOARD OF DIRECTORS

HIBBING

Hibbing Economic Development Authority
Local Housing Trust Fund
Process and Policy Guidelines

APPENDIX A: Local HOUSING TRUST FUND APPLICATION

A. APPLICANT INFORMATION

Applicant Name: North St. Louis County Habitat for Humanity	
Address: PO Box 24, Virginia, MN 55792	
Phone: 218-750-7443	Email: nathan@nslchfh.org
X	Brief organizational description, including history, and program documentation provided.
X	Brief description of the proposed project or program provided

B. PROJECT INFORMATION

1. The project will be:

	Owner Occupied Rehabilitation		Sewer Lateral		Rehabilitation
	Multifamily Dwelling		New Construction		Rehabilitation
X	Single Family Dwelling	X	New Construction		Rehabilitation

2. Funding Request

Amount of Funds Requested:				
X	Yes		N/A	Brief budget summary attached to this application

3. Project Site

Address or Parcel ID, if known	1914 7th Ave E 140-0220-03170 1916 7th Ave E 140-0220-03160
Current Real Estate Taxes on Project Site:	$ 0.00
Estate Taxes upon Completion:	$ 1,000 x 2 Homes = $2,000

4. Project Timeline

Start Date	June 2026
End Date	June 2027

C. PUBLIC PURPOSE

It is the policy of the City of Hibbing that the use of the Local Housing Trust Fund should result in a benefit to the public. Please indicate how this project will serve a public purpose. Select all that apply.

	New development, which will result in additional private investment in the area.
	Enhancement or diversification of the City's economic base.
	The project contributes to the fulfillment of the City's Comprehensive Plan.
	Removal of blight or the rehabilitation of a high profile or priority site.
	Significantly increase the City's tax base.
X	Provides affordable housing.
	Provides variety of mixed-income housing options.
	Other, please describe below.

HIBBING

Hibbing Economic Development Authority
Local Housing Trust Fund
Process and Policy Guidelines

E. ADDITIONAL DOCUMENTATION AND CHECKLIST

X	Project Plan, if needed
X	Organizational financial statements/990 filing/most recent audit
X	List of Board Members
X	Organizational resolution to seek funding
X	Letters of support 1- HIBBING HRA 2- ST LOUIS CO Economic + Community Development Dept.

The undersigned certifies all information provided in this application is true and correct to the best of the undersigned's knowledge. The undersigned also agrees to provide any additional information as may be requested by the HEDA Board after the filing of this application.

NOTICE TO APPLICANT: Data Practices Act

The information you supply in your application to the HRA will be used to assess your eligibility for this funding. Minnesota Statutes, Chapter 13 (Minnesota Government Data Practices Act) governs whether the information that you are providing to the HEDA Board is public or private. If financial assistance is provided for the project, the information submitted in connection with your application will become public, except for those items treated as private data under the Minnesota Government Data Practices Act.

I have read the above statement and I agree to supply the information to the HEDA Finance Committee and/or Board with full knowledge of the matters contained in this notice. I certify that the information submitted in connection with the application is true and accurate.

Applicant Name [signature] Date 2-12-2024

NATHAN THOMPSON, EXECUTIVE DIRECTOR

North St. Louis County Habitat for Humanity
Resolution

Date: February 12, 2026

Title: Authorization to apply to the Hibbing Economic Development Authority Local Housing Trust Fund

WHEREAS, the mission of North St. Louis County Habitat for Humanity (the "Organization") is to partner with organizations, businesses and government entities to bring people together to build homes, communities and hope; and

WHEREAS, the Hibbing Economic Development Authority Local Housing Trust Fund supports this mission by providing funds to accomplish the building new affordable homes and the rehabilitation of existing homes ; and

WHEREAS, the Hibbing Economic Development Authority's Local Housing Trust Fund is offering grants for the purpose of acquisition, capital and soft costs necessary for the creation of new affordable and workforce housing and the preservation of existing affordable and workforce housing;

THEREFORE, BE IT RESOLVED, that the Board of Directors of North St. Louis County Habitat for Humanity hereby authorizes the submission of a grant proposal to the Hibbing Economic Development Authority's Local Housing Trust Fund in the amount of $60,000 for the purpose of building two new Habitat for Humanity homes in Hibbing to start in 2026.

BE IT FURTHER RESOLVED, that Nathan Thompson, North St. Louis County Habitat for Humanity's executive director is authorized to act as the official representative of the Organization in all matters regarding this application, including signing documents, contracts, and financial reports.

Authorization:
Passed and approved by the Board of Directors on February 12, 2026.

Rosalyn Prebeg

Rosalyn Prebeg, Board Secretary

Housing & Redevelopment
Authority of Hibbing

3115 Seventh Avenue East | Hibbing, MN 55746
(tel) 218.263.3661 www.hibbinghra.org

February 12, 2026

City of Hibbing- HEDA
Local Housing Trust Fund Program

Re: Letter of Support for Northern St. Louis County Habitat for Humanity's Local Housing Trust Fund Application

Dear Review Committee,

On behalf of the Housing & Redevelopment Authority of Hibbing, I am pleased to offer our strong support for Northern St. Louis County Habitat for Humanity's Housing Trust Fund application to develop affordable homeownership opportunities at 1914 and 1916 7th Avenue East in Hibbing.

Northern St. Louis County Habitat for Humanity has consistently demonstrated a deep commitment to expanding safe, stable, and affordable housing opportunities for families in our community. Their work not only addresses critical housing shortages but also strengthens neighborhoods, promotes long-term stability, and supports economic mobility for low- and moderate-income households.

The proposed development of new affordable homes at these locations represents an important investment in our local housing stock. These homes will provide quality, energy-efficient, and permanently affordable homeownership opportunities for families who might otherwise face significant barriers to entering the housing market. Habitat's model of combining affordable financing, sweat equity, and homeowner education creates sustainable outcomes and long-term success for the families they serve.

Habitat for Humanity has been a reliable and collaborative partner in Hibbing, working closely with local stakeholders to ensure projects align with community needs and planning goals. We are confident in their ability to successfully complete this project and to steward these homes for the benefit of future residents.

We fully support their request for Local Housing Trust Fund resources and believe this investment will have a meaningful and lasting impact on housing stability in Hibbing.

Sincerely,

Jackie Prescott

Jackie Prescott
Executive Director

Saint Louis County

Economic and Community Development Department
www.stlouiscountymn.gov

Brad Gustafson
Community Development Manager

February 12, 2026

Hibbing Economic Development Authority
ATTN: Betsy Olivanti
401 East 21st Street
Hibbing, MN 55746

Dear Betsy:

St. Louis County Economic and Community Development Department writes this letter in support of North St. Louis County Habitat for Humanity (NSLC Habitat) in their application to the Hibbing Economic Development Authority for funding regarding housing projects in Hibbing.

St. Louis County believes in the work that NSLC Habitat is accomplishing. Our team has seen firsthand the homes constructed and the lives positively impacted through their efforts. NSLC Habitat fills a housing void desperately needed in our community. St. Louis County has utilized Community Development Block Grant funds to fund several of Habitat's projects over the last few years. Said funds are utilized on time and in an efficient manner, and all reporting documents are provided professionally and as specifically requested.

Ongoing support for NSLC Habitat is needed due to the ever-growing need for affordable housing. With the high cost of building materials and labor, creating affordable housing continues to be a struggle to make the financials make sense. NSLC Habitats' business structure allows them to bridge the gap in a way that continues to get families into homes.

St. Louis County Economic and Community Development supports the North St. Louis County Habitat for Humanity in their grant application to Hibbing Economic Development Authority. Our department looks forward to seeing the accomplishments the NLSC Habitat will achieve with its enthusiasm and tenacity for growth.

Sincerely,

Brad Gustafson

Brad Gustafson
Community Development Manager

Duluth Office, Government Services Center
320 West 2nd Street, Suite 301, Duluth, MN 55802
Main Phone: (218) 725-5000
Toll Free in MN: 1-800-450-9777
On-Site Wastewater: (218) 725-5200
Fax: (218) 725-5029

Virginia Office, Government Services Center
201 South 3rd Avenue West, Virginia, MN 55792
Main Phone: (218) 749-7103
Toll Free in MN: 1-800-450-9777
On-Site Wastewater: (218) 749-0625
Fax: (218) 749-7194

North St. Louis County Habitat for Humanity Board of Directors 2026

Name	Town	Affiliation
Board of Directors Class of 2027		
Kris Clover	Hibbing, MN 55746	Business owner, retired
Carolyn Dinneen	Virginia, MN 55792	Social worker, retired
Emma Keeler	Mt. Iron, MN 55768	Works at Medtronic
Nathan LeBeque	Virginia, MN 55792	Teacher, retired
Mark McClellan*	Hibbing, MN 55746	Sales, retired
Linda Scott (President)*	Gilbert, MN 55741	Up North Title Company
Mark Weir (Secretary)*	Britt, MN 55710	Attorney
Board of Directors Class of 2028		
Jen Baker	Aurora, MN 55705	Aurora Public Library director
Don Knight	Eveleth, MN 55734	Banker
Don Rausch (Treasurer)*	Britt, MN 55710	Credit Union president
Rolf Swanson (Vice President)*	Hoyt Lakes, MN 55750	Sales, retired
Board of Directors Class of 2029		
Steve Burgess	Tower, MN 55790	Retired, construction trades, volunteer firefighter
Angela Campbell	Ely, MN 55731	Ely City Counselor, realestate
Paul Knuti (Nominating, Planning)	Embarrass, MN 55732	Farmer, retired human resources and business consulting
Nancy Moyer	Hibbing, MN 55746	Medical doctor
Judy Peliska*	Mt. Iron, MN 55768	Lay pastor ELCA
Timo Peraaho	Chisholm, MN 55719	Structural Engineer - BARR Engineering
* Indicates executive committee member		
Staff		
Nathan Thompson	Gilbert, MN 55741	Executive Director
Marnie Maki	Chisholm, MN 55719	Family Services Manager
Tucker Nelson	Virginia, MN 55792	Community Engagement Coordinator
Isaac Mathison-Bowie	Chisholm, MN 55719	Construction Manager
Tim Officer	Biwabik, MN 55708	Construction Coordinator
Shelby Paulson	Eveleth, MN 55734	Bookkeeper

Brief organizational description, including history, and program documentation.

North St. Louis County Habitat for Humanity's is, "Seeking to put God's love into action, Habitat for Humanity brings people together to build homes, communities, and hope." The organization has a reputation of faithfully working with our neighbors to provide affordable homeownership opportunities. We have built in 15 communities: Aurora, Babbitt, Biwabik, Buhl, Chisholm, Cook, Ely, Embarrass, Eveleth, Gilbert, Hibbing, Mountain Iron, Tower, Soudan, and Virginia. Habitat for Humanity has provided homeownership opportunities to 39 households in Hibbing.

The staff of five consists of an executive director, family services manager, community engagement coordinator, construction manager, and part time construction coordinator. Staff collaborate with volunteers, contractors, funders, and local government to support homebuyers through the homebuilding process. NSLCHFH also collaborates with other housing and shelter agencies that provide referrals of families who are ready for permanent and sustainable homeownership. A dedicated board of 17 members from across Iron Range communities provides oversight and leadership to the organization.

We have consistently built or rehabilitated a minimum of five homes per year since 2006 and are working to sustainably grow the program. Although constructions costs continue to rise, so are the challenges of low-income neighbors who need affordable homes. Our board and staff create a strategic plan each year to deepen and strengthen our service to the area we serve. Since our founding in 1995, NSLCHFH has helped 130 families, comprised of 167 adults and 253 children, own their own home.

Brief description of the proposed project or program provided.

North St. Louis County Habitat for Humanity's sole program is partnering with those in need of better shelter to help them build and affordably buy a home that will sustainably meet their needs. Habitat partners attend our homeownership classes to learn more about financial literacy, home maintenance, and how to be a good neighbor. This unique model helps them build strength, stability, and self-reliance as they build and occupy their home. Affordable homeownership helps families break the cycle of poverty caused by substandard and expensive living conditions.

Construction follows a standard build cycle from site preparation and framing through interior completion, with partner families, volunteers, and local contractors contributing throughout the year. Partner families complete homebuyer education and must contribute at least 200 hours of "sweat equity" by helping build their and others' homes. Once construction is complete, we celebrate the family's achievement with a home dedication ceremony followed by a closing.

NSLCHFH's 2026 homeownership projects include five new homes and one rehab project. New homes will be built in Hibbing (2), Virginia (2), and Ely. One home will be rehabbed in Gilbert.

North St. Louis County
Habitat for Humanity®

Frequently Asked Questions about Habitat for Humanity

What are the requirements to be a North St. Louis County Habitat for Humanity partner?

- Applicant must live and/or work in the North St. Louis County HFH service area for at least six months.
- Applicant must be a U.S. Citizen or permanent resident.
- Applicant must show an ability to pay, including:
  - Stable family income of at least $30,000. *The income requirement may be more depending on factors such as family size, debt to income ratio, source of income, etc.*
  - Manageable Debt
  - Responsible Credit Practices
  - Applicant's total income must not exceed the maximum income guidelines listed below.
    (The income guidelines are based on 60 percent of the median family income for St. Louis County. Exceptions for maximum income may be considered due extenuating circumstances.)

FAMILY SIZE	MAXIMUM INCOME 2025
1	$42,300
2	$48,300
3	$54,360
4	$60,360
5	$65,220
6	$70,020
7	$74,880
8	$79,680

EQUAL HOUSING OPPORTUNITY

- Applicant must show a willingness to partner with Habitat:
  - Initiate and follow through with the application process
  - Work a minimum of 200 hours of "sweat equity" per adult family member and an additional minimum of 100 hours from friends and family
  - Attend educational classes
  - Be willing to build community with Habitat and their neighbors

- Applicant must demonstrate a housing need, such as:
  - Many repairs needed
  - High heating costs
  - Overcrowding
  - Unsafe structure
  - High rent compared to income
  - Non-accessible to a family member
  - Current housing does not meet the need of the occupant(s)
  - Unable to get conventional financing
  - Living in subsidized housing

What is a family unit?
A family unit is defined as one or more people.

How does Habitat for Humanity work?
Habitat for Humanity completely rehabs or builds new homes in partnership with qualifying individuals and families, using as much donated material and labor as possible. Upon completion of the home, Habitat sells the home to the family using an affordable mortgage. The monthly mortgage payments that are made go toward the building and rehabbing of other Habitat homes.

Where are Habitat homes built?
North St. Louis County Habitat for Humanity builds on city lots that have sewer and water available to keep the homes affordable. We try to offer the family a choice of towns, however, no guarantee of location can be made.

How are Habitat for Humanity homes built?
Habitat will help you build a "simple, decent, and affordable" home. These homes do not have features such as fireplaces, garages, or basements. They are generally around 1100 to 1200 square feet in size, depending on the number of bedrooms. The number of bedrooms is determined by family size. Two children of the same sex share a bedroom. The homes are safe and energy efficient.

Will I pay for the house?
Yes, just like other homebuyers you will have a mortgage. Payments are very affordable. You can expect your payment (principal, homeowner's insurance, and property taxes) to be between 25-30% of your income.

Do I need a down payment?
Yes, $1,000 towards closing cost is due before closing on the home.

Can I sell my Habitat for Humanity home?
If a homeowner needs to sell their home during the first fifteen (15) years, NSLCHFH has first opportunity to buy it back at the price for which it was purchased. Owners may not put liens on the property.

If I qualify, how long does the process take?
It can take from 6 months to 2 years for a family to move into their home. There are many factors that can affect how quickly your home will be completed. Habitat makes no guarantees of when construction will be completed.

What is my responsibility to Habitat?
In addition to the sweat equity commitment, partner families are required to attend Homeownership and Financial Literacy classes. Monthly partner family support meetings will help walk you through the process from start to finish.

To generate funds and recruit volunteers, Habitat for Humanity counts on local publicity through the media to raise community awareness. Habitat homeowners are asked to participate in fund-raisers, newspaper or TV coverage, and photographs. This is necessary to maintain community involvement. Every effort is made to make the experience comfortable for the family.

After moving in, families will make monthly mortgage payments on time and keep the house and yard well maintained. Homeowners are completely responsible for all maintenance of their property and the monthly utility bills. Families are encouraged to remain active with Habitat as volunteers.

Anything else I should know about Habitat for Humanity?
North St Louis County Habitat for Humanity is a locally run affiliate of Habitat for Humanity International, a nonprofit, ecumenical Christian housing ministry. Habitat for Humanity works in partnership with God and people everywhere, from all walks of life, to develop communities with people in need by building and renovating houses, so that there are decent houses in decent communities in which every person can experience God's love and can live and grow into all that God intends. All are welcome at Habitat for Humanity regardless of faith or creed. For each Habitat for Humanity home built or renovated, this affiliate supplies funds to build a corresponding home in Mexico.

Is Habitat for Humanity an Equal Opportunity Lender?
Yes. Habitat for Humanity is an equal housing lender, and does not discriminate based on race, creed, color, religion, national origin, sex, marital status, family status, age, or disability.

What should I do next? Please complete the application, as that is the only way to know if you qualify.
If you feel you might qualify for the Habitat for Humanity home building program, fill out the application included with this letter and mail it to our office. Please save this letter for your records.

North St. Louis County Habitat for Humanity * PO Box 24, Virginia, MN 55792 * 218-749-8910

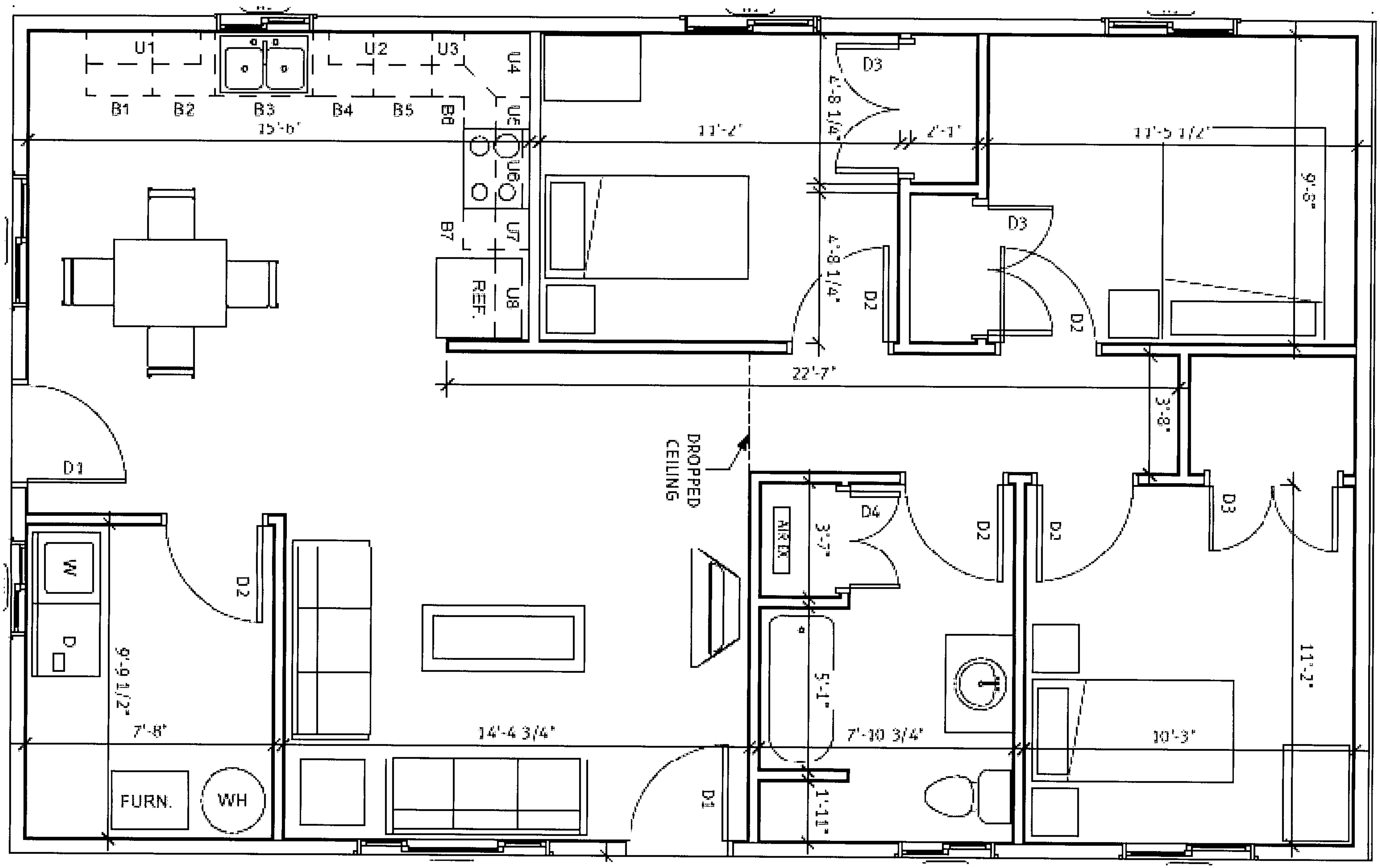
PROJECT 1		
Expenses New Construction Home 1914 7th Ave E, Hibbing	Amount	In-kind
Foundation	$ 40,000	
Framing & Exterior Shell	$ 35,000	$ 3,500
Insulation	$ 11,000	
Sheetrock	$ 12,500	
Interior Finish	$ 18,500	$ 2,000
Landscaping	$ 3,500	
Utilities	$ 2,000	
Trades - Electrical, Plumbing, HVAC	$ 43,000	$ 6,500
Misc - Fasteners, Adhesives, Consumables	$ 5,000	
Architect, Engineering, Legal		$ 2,000
Volunteer Labor		$ 75,000
Builders Risk, Liability Insurance	$ 3,000	
Garden Shed	$ 2,000	
Lot	$ 2,500	$ 10,000
Total expenses	$ 178,000	$ 99,000
Total Cash and In-Kind	$ 277,000	
Income New Construction Home 1914 7th Ave E, Hibbing	Amount	Status
Hibbing Foundation	$ 2,000	Sought after
Iron Range Resources & Rehabilitation	$ 58,000	Committed
United Way of Northeastern Minnesota	$ 5,000	Applied for
Cliffs Foundation	$ 3,000	Committed
Owens Family Charitable Foundation	$ 5,000	Sought after
Central Mesabi Fund for Human Services	$ 3,000	Committed
Habitat Minnesota MN Housing Funds	$ 25,000	Sought after
Individuals, Businesses, Churches and Organizations	$ 6,000	Sought after
Organizational Funds - Leveraging of Mortgage Portfolio	$ 41,000	Committed
Hibbing Community Land Trust	$ 30,000	
Total Income	$ 178,000	

PROJECT 2		
Expenses New Construction Home 1916 7th Ave E, Hibbing	Amount	In-kind
Foundation	$ 40,000	
Framing & Exterior Shell	$ 35,000	$ 3,500
Insulation	$ 11,000	
Sheetrock	$ 12,500	
Interior Finish	$ 18,500	$ 2,000
Landscaping	$ 3,500	
Utilities	$ 2,000	
Trades - Electrical, Plumbing, HVAC	$ 43,000	$ 6,500
Misc - Fasteners, Adhesives, Consumables	$ 5,000	
Architect, Engineering, Legal		$ 2,000
Volunteer Labor		$ 75,000
Builders Risk, Liability Insurance	$ 3,000	
Garden Shed	$ 2,000	
Lot	$ 2,500	$ 10,000
Total expenses	$ 178,000	$ 99,000
Total Cash and In-Kind	$ 277,000	
Income New Construction Home 1916 7th Ave E, Hibbing	Amount	Status
Hibbing Foundation	$ 2,000	Sought after
Iron Range Resources & Rehabilitation	$ 58,000	Committed
United Way of Northeastern Minnesota	$ 5,000	Applied for
Cliffs Foundation	$ 3,000	Committed
Owens Family Charitable Foundation	$ 5,000	Sought after
Central Mesabi Fund for Human Services	$ 3,000	Committed
Habitat Minnesota MN Housing Funds	$ 25,000	Sought after
Individuals, Businesses, Churches and Organizations	$ 6,000	Sought after
Organizational Funds - Leveraging of Mortgage Portfolio	$ 41,000	Committed
Hibbing Community Land Trust	$ 30,000	
Total Income	$ 178,000	

Possible three bedroom house plans for use on our 2026 Habitat Homes in Hibbing.

Plans will be refined and settled on this Spring.

3 Bedroom House Plan #1—Offset



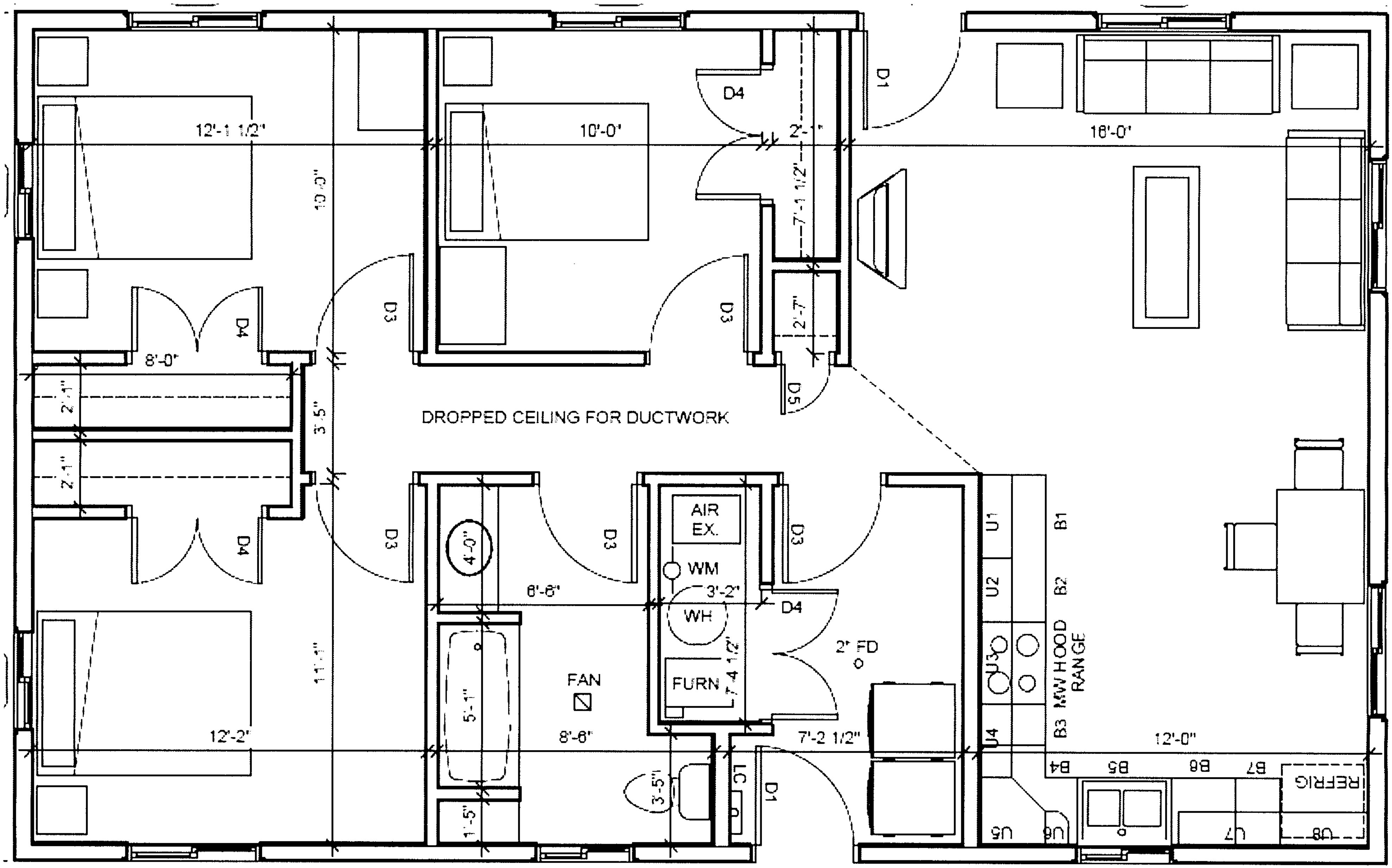
Light Fixtures (11):

2 exterior, 2 kitchen, 1 living room, 1 utility room, 3 bedroom, 2 bathroom

Doorknobs:

2 exterior, 1 passage, 4 privacy

3 Bedroom House Plan #2—Classic



Light Fixtures (11):

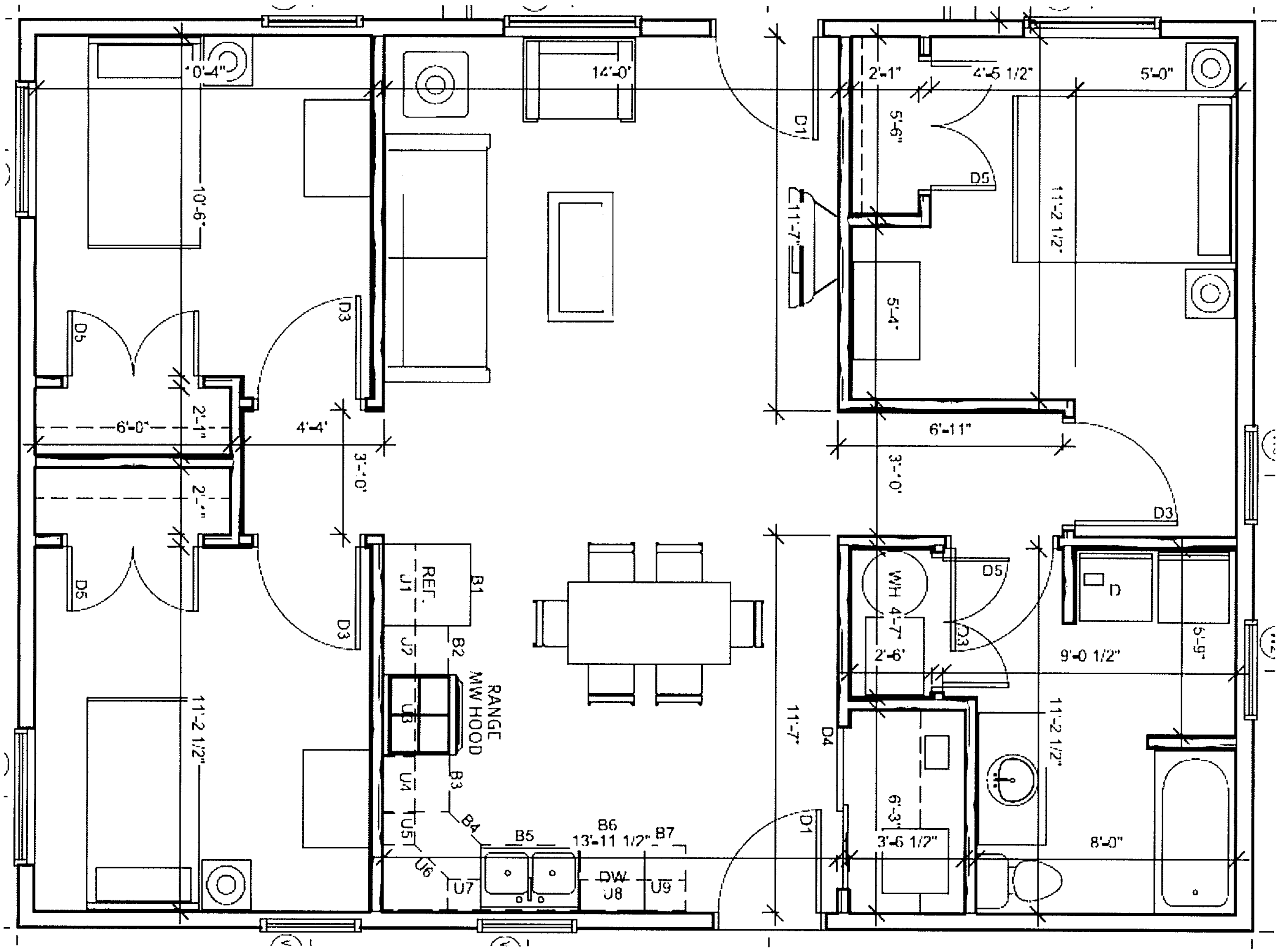
2 exterior, 2 kitchen, 1 living room, 1 utility room, 3 bedroom, 2 bathroom

Doorknobs:

2 exterior, 1 passage, 4 privacy

Bathroom Vanity countertop with drop-in sink. Need a 37" rough opening.

3 Bedroom House Plan #3—Open



Light Fixtures (11):

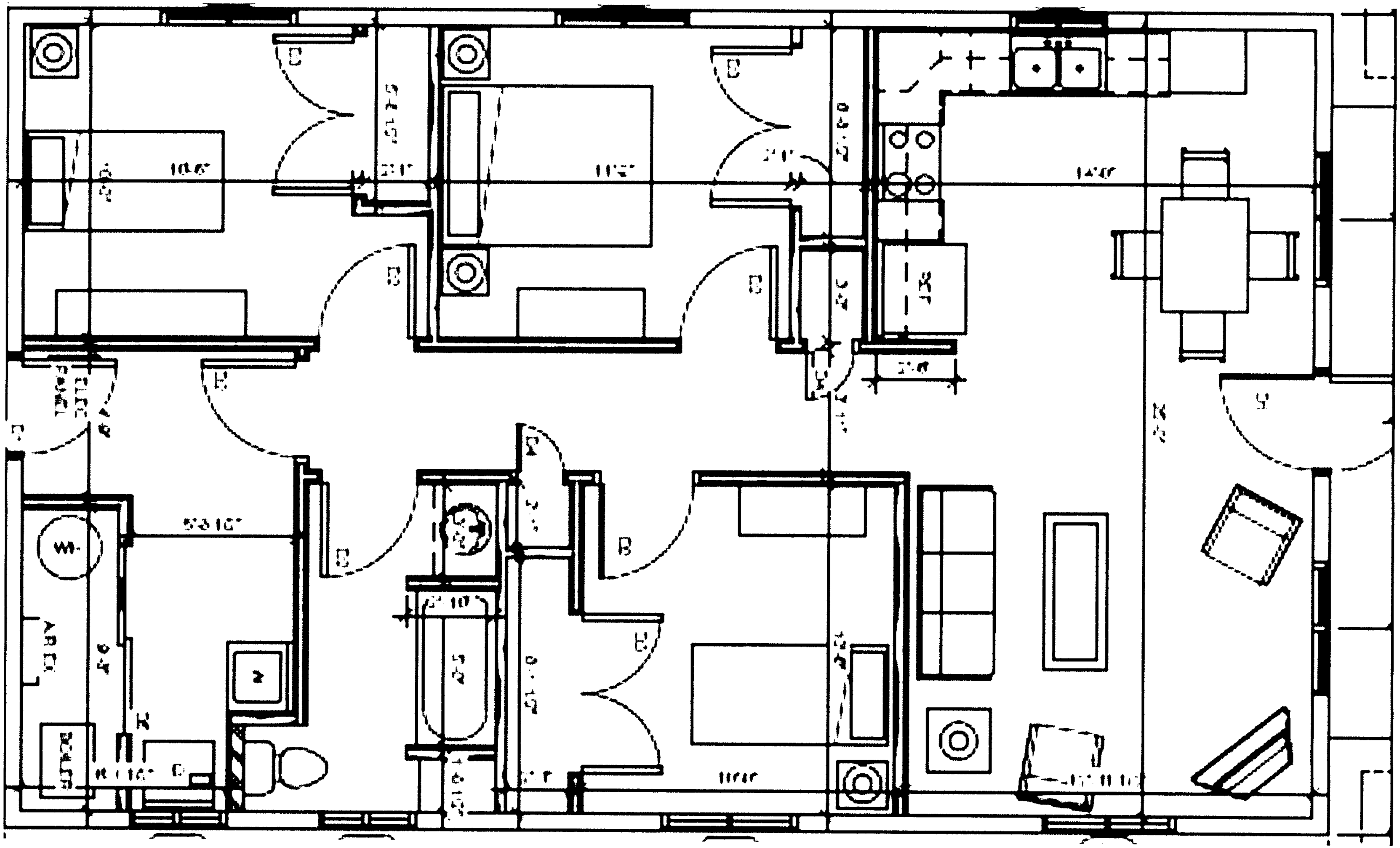
2 exterior, 2 kitchen, 1 living room, 3 bedroom, 3 bathroom

Doorknobs:

2 exterior, 1 passage, 4 privacy

Bathroom Vanity countertop with drop-in sink. Need a 37" rough opening.

3 Bedroom House Plan #5—Shotgun



Light Fixtures (11):

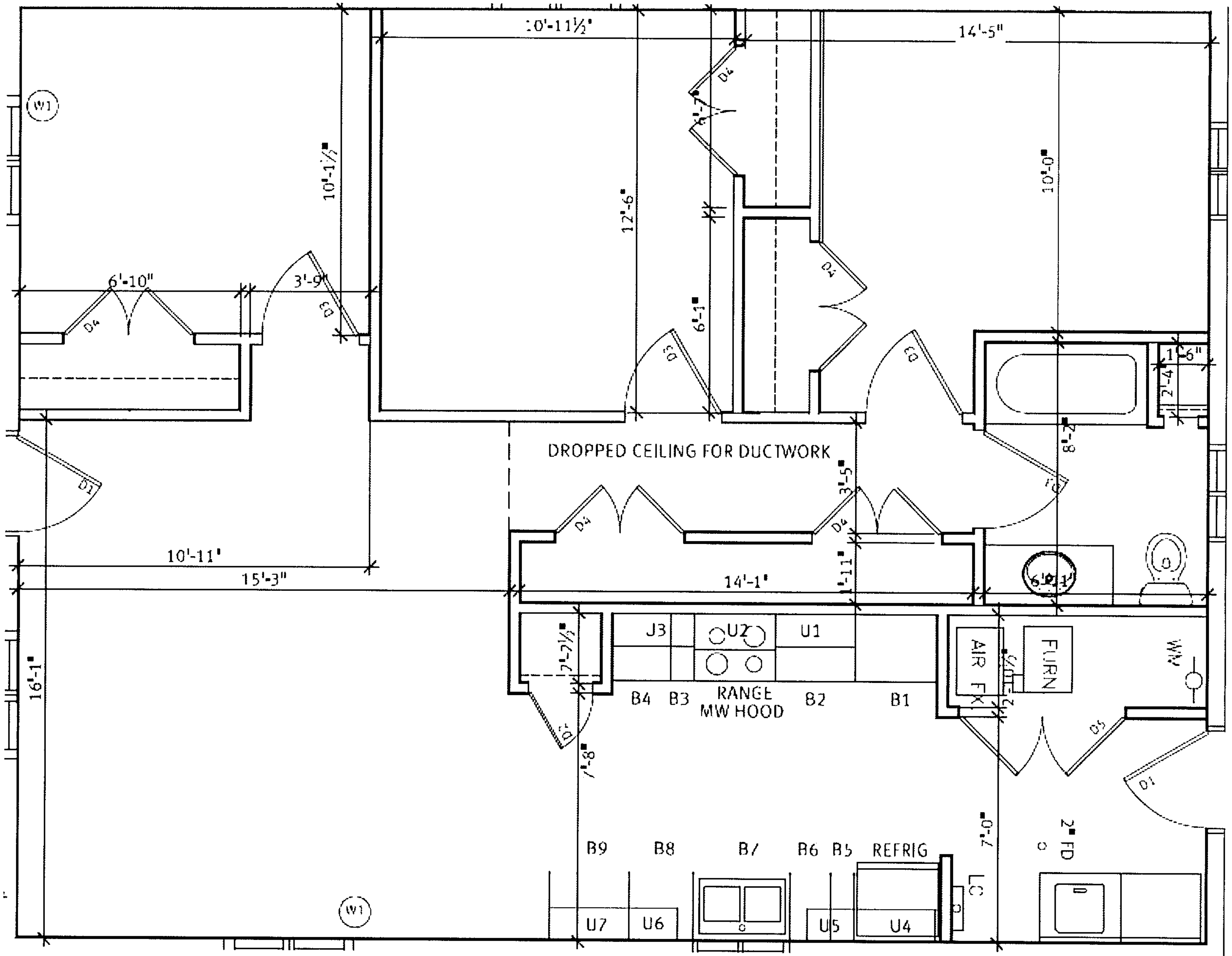
2 exterior, 2 kitchen, 1 living room, 2 utility room, 3 bedroom, 2 bathroom

Doorknobs:

2 exterior, 1 passage, 4 privacy

Vanity countertop with drop-in sink. Need a 37" rough opening.

3 Bedroom House Plan #4—Galley



Light Fixtures (11):

2 exterior, 2 kitchen, 2 living room, 1 utility room, 3 bedroom, 2 bathroom

Doorknobs:

2 exterior, 1 passage, 4 privacy

Bath Vanity - Double Check side to put drawers.

Loan Application for Hibbing Economic Development Authority

Business Name: Granite Homes LLC

Business Address: 2520 Maple Grove Rd | Duluth | MN | 55811
Street | City | State | Zip Code

Business Phone: 218-481-3004

Name of Principal No. 1:	Name of Principal No. 2:
Korey Dropkin	
Home Address: 1 N Hawthorne Rd (Street)	Home Address:
Duluth, MN 55812 (City, State, Zip Code)	(City, State, Zip Code)
Home Phone: 218-481-3004	Home Phone:

Type of Business (LLC, Corp, Sole Prop): LLC

Date Established: 12/12/2022

Amount of financing request from Hibbing Economic Development Authority: $36,231.00

Total Project Costs: $108,694.00

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."

AuthentiSIGN

Name: Korey Dropkin Title: Owner Date: 01/28/26

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		1	
Number of New Jobs Created		Work for 3 - 4 contractors	

**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

Owners Equity	Cash	$24,287.67
Loan 1	Frandsen Bank	$40,000.00
Loan 2	HEDA Loan	$36,231.00
Loan 3	IRRR BER Grant	$8,175.33
Line of Credit		
TOTAL		$108,694.00

Uses

Land	
Building Renovation	$108,694.00
Equipment	
Inventory	
Start-Up Costs	
Goodwill	
Refinance	
Working Capital	
TOTAL	$108,694.00

Loan Description: Include lending institution, interest rate, and loan term from list above

	Lending Institution	Interest Rate	Loan Term	Secured? (Y/N)
Loan 1	Frandsen Bank & Trust	TBD: ~7%	20-Yr	No
Loan 2	HEDA Loan	3%	10-Yr	No
Loan 3				

List of collateral and estimated values:

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

Sources		Uses	
Cash (HEDA 10% private match required)	$24,287.67	Land (Building Purchase)	
Frandsen Bank Loan	$40,000.00	Site Clean-up (Brownfields)	
HEDA Loan	$36,231.00	Building (Renovation)	$108,694.00
IRRR BER Grant	$8,175.33	Equipment	
		Inventory	
		Start-up Costs (Fees)	
		Goodwill	
		Refinance	
		Working Capital	
TOTAL	**$108,694.00**	**TOTAL**	**$108,694.00**

OUT OF BALANCE WARNING *$0.00*

HEDA 10% private match requirement

Lending Institution	Interest Rate	Loan Term	Secured (Y/N)
Frandsen Bank & Trust	~7%	20-Yr	N
HEDA Revolving Loan	3%	10-Yr	N

List of collateral and estimated values:	Description	Value in $
Item 1		
Item 2		
Item 3		
Item 4		
Item 5		

Renovation Costs	
Item	**Estimated Cost**
Storage Fee	$495
Demo & Disposal	$4,820
Ventilation	$2,315
Insulation, Removal and Reinstall	$14,448
Mold Remedy	$2,778
Window Replacements	$2,950
Sheeting	$9,871
Flooring	$6,134
Finishes	$6,481
Bath Finishes	$1,427
Electrical Finishes	$3,600
Roof Bracing	$1,896
Roof Replacement	$22,630
Split-zone Heating	$14,690
Exterior Front Staircase	$675
15% Buffer	$13,484
Total	**$108,694**

Granite Homes LLC

Business Plan

January 28, 2026

Korey Dropkin
1 N Hawthorne Rd
Duluth, MN 55812
Telephone: 218-481-3004
Email: koreydropkinrealtor@gmail.com

EXECUTIVE SUMMARY

Brief Description of Business

Granite Homes LLC is the owner and operator of a six-unit residential rental property located at 2316 2nd Ave W in Hibbing, Minnesota. The building consists of five one-bedroom furnished units and one two-bedroom unfurnished unit and has historically operated at full occupancy, with the goal of serving local residents with stable, fairly priced housing.

Project Timeline

This building is experiencing threats to habitability that have surfaced recently as a surprise. There are long-term deficiencies of attic ventilation, roof support, saturation of insulation, deterioration in building materials, heat imbalances, and concealed cavities that are trapping moisture and compounding the revolving issues. Remediation for these problems are required in an urgent manner as time is of the essence. Neglecting to resolve the issues will result in further deterioration and risk of code compliance and habitability of all units in the building.

Competitive Advantage

This business is dedicated to success, to the community, and to the following:

1. Directly addressing and resolving the root causes of the building's deficiencies.
2. Providing quality living for Hibbing residents at a fair market value.
3. An ownership model focused on holding and maintaining for 20+ years, and prioritizing safe, livable housing over short-term resale.

Legal Organization, Ownership

Sole-Owner LLC.
Korey Dropkin, 100% Ownership in Granite Homes LLC.

Funding Request

Granite Homes LLC is requesting help from the Hibbing Economic Development Authority with a Total Project Cost of about $108,694.

Description of Work	Cost ($)
Storage Fee	$495
Demolition and Disposal	$4,820
Ventilation	$2,315
Insulation, Removal and Reinstall	$14,448
Mold Remedy	$2,778
Window Replacements	$2,950
Sheeting	$9,871
Flooring	$6,134
Finishes	$6,481
Bath Finishes	$1,427
Electrical Finishes	$3,600
Roof Bracing	$1,896
Roof Replacement	$22,630
Split-zone Heating	$14,690
Exterior Front Staircase	$675
15% Buffer	$13,484
Total	**$108,694**

BUSINESS DESCRIPTION

Problem

In late 2025, moisture intrusion was identified in the front upper-level apartment (unit two), prompting an investigation by licensed contractors. That initial investigation uncovered a long-term, critical ventilation issue in the attic. The attic had no functional airflow; meaning no proper intake or exhaust ventilation, and because of this, the steam heat system was sending warm, moisture-laden air upward into the attic space with no escape, causing it to accumulate over time. Years of trapped moisture, freezing and thawing, has resulted in fully saturated insulation, moisture penetration through drywall, compromised building materials, visible deterioration from prolonged exposure to excessive humidity, and continuous potential for mold development if not addressed immediately.

After approval of the initial scope of work and upon further investigation into the upper-level unit, the contractors found that renovations from previous ownership included a drop-down ceiling from the rafters, which created an empty cavity without insulation that has also trapped moisture, resulting in a collection of running water and slimy sheet rock. The same issue was found in the exterior walls that were impacted, as the walls were furred out with zero insulation in the North, South and West exterior walls. The contractors assessed that the heat from the units against the cold outdoor temperatures has been creating condensation in the walls for years, freezing inside the walls' cavities, melting, and causing more moisture and deterioration of building materials.

These conditions require comprehensive remediation to ensure the long-term habitability and structural integrity of the building. Granite Homes LLC is seeking a HEDA loan to remediate these conditions, correct the underlying building systems failures, replace the roof, and stabilize the property for long-term ownership. With these improvements completed, the building will return to full occupancy and continue providing quality, safe housing to Hibbing residents for decades to come.

Solution

The most effective and economical solution is to remediate the long-term deficiencies of attic ventilation, roof support failure, saturation of insulation, heat imbalances, and concealed cavities that are trapping moisture. In working with Brandon Freeman of LBR Property Management and two other local contracting companies including Justin Scofield of Elite Northern Roofing and Jake of L & S Plumbing and Heating we have created the following plan.

Install twelve roof vents immediately to create adequate airflow, then remove and vacuum all insulation in the attic space. Move and store furnishings and kitchen cabinetry of the upper front unit to enable demolition of 1,500+ square-feet of drywall, plaster, flooring, tile, etc. Lift and brace the front rafters of the roof to re-stabilize and correct the sag. Spray all required areas of industrial mold remediation disinfectant. Re-insulate all exterior walls, knee walls, and attic space. Replace and install three windows. Hang, tape, prime and paint new drywall as needed. Repair subfloor as required in kitchen and bathroom, and install new flooring and trim throughout. Install a new bath surround, and subcontract a licensed electrician to install all electrical fixtures up to code.

In addition to these renovations in unit two, the contractors will also be remediating some mold issues in the rear upper-level apartment (unit six) that are transpiring due to the - now removed -

saturated insulation from the attic. LBR Property Management and Elite Northern Roofing plan to demo the impacted apartment closet, hang sheetrock, tape, prime and paint. Spray mold removal on all apartment ceilings and the hallway exterior wall, and paint ceiling and walls as required. Replace all unit window sills and trim to minimize any remaining presence of mold.

L & S Plumbing and Heating is to modify the current single zone system, as the heat for the apartments have been moderated by a single thermostat, causing heat imbalances throughout the building. The plumber shall create a manifold of four total heat zones. One zone for the upper front unit, a second zone for the upper rear unit, a third zone for the main floor units, and a fourth zone for the basement floor units. There will be some demolition required, and refinishing of ceilings as required, but this plan will help mitigate the imbalances of heat in the building.

Additionally, LBR Property Management and Elite Northern Roofing are going to finish the exterior door trim of the unit six entry, and repair and paint the concrete steps to the front entry of the building.

Finally, in the Spring of 2026, Elite Northern Roofing is to strip all shingles, replace all compromised sheeting, and re-roof the building.

The HEDA Loan will give Granite Homes LLC the ability to remediate, preserve and restore the existing housing asset. Without the loan, this business will not be able to fulfill the renovation, which may result in further deterioration and risk of code compliance and habitability of all units in the building.

Background

My objective with Granite Homes LLC is to acquire and operate residential rental housing units in Hibbing with a long-term ownership approach. The goal is to provide safe, well-maintained living environments for local residents at fair, market-value rates. I acquired the property from a short-term owner that seemed to renovate four of the six units, and my intent was to responsibly update the remaining two apartments, and then continue to maintain and reinvest in the building and the community over time. The current obstacles have provided a big surprise to my business plan, however, I am optimistic that with collaborative efforts this building can be restored and serve as quality dwellings for Hibbing residents.

Products and Services

The business provides residential rental housing in Hibbing, Minnesota, offering five furnished one-bedroom apartments and one unfurnished two-bedroom apartment.

Location and Hours

The building is located at 2316 2nd Ave W, Hibbing, MN.

Experience and Education

I graduated from the University of Minnesota, Duluth with a degree in Organizational Management. I have been investing in real estate since 2020, and own three other buildings under different entities between Duluth and Minneapolis.

Roles and Responsibilities

I am the owner of Granite Homes LLC, and handle all marketing efforts of the apartment building, all bookkeeping and financial responsibilities, and I make all initial contact with tenants and share responsibilities with my caretaker in communicating updates with the tenants. My caretaker is Megan Menara, and she is responsible for all apartment viewings, handling all lawn and snow removal efforts, and helping with communications, especially in the case of emergencies.

COMPETITIVE ANALYSIS

The rental housing market in Hibbing is limited, with only a small supply of active apartments available at any given time and a consistent demand for safe, affordable housing. Properties that maintain quality living and fair rent values consistently uphold minimal vacancies, and these six-units operated under the ownership of Granite Homes LLC have historically reflected that same trend with great levels of occupancy. Every dwelling in the community of Hibbing contributes meaningfully to the local housing stock. Granite Homes LLC is dedicated to making the necessary remediations in order to re-stabilize the building and return it to full occupancy to help meet the community needs of Hibbing.

SWOT ANALYSIS

Strengths

- Proven demand for the property, with a history of full occupancy prior to the discovery of building issues
- Long-term ownership approach focused on housing stability rather than short-term resale
- Proactive identification and investigation of building system deficiencies
- Clear remediation plan developed with professional contractors and property management support

Weaknesses

- Single-asset LLC with limited ability to absorb large, unexpected capital expenditures
- Older building with latent conditions from prior renovations requiring significant remediation

- Temporary loss of rental income during repairs

Opportunities

- Comprehensive remediation will restore full occupancy and stabilize long-term cash flow
- Building improvements will reduce future maintenance costs and moisture-related risks
- Heating system zoning will improve tenant comfort and energy efficiency
- Preservation of existing housing aligns with local economic development and housing goals

Threats

- Continued deterioration and unit loss if remediation cannot be completed
- Rising construction and material costs if repairs are delayed
- Potential for additional hidden issues in other units renovated by a previous owner
- Loss of housing availability and neighborhood impact if the property becomes financially unstable

GOALS

Start-up Goals

- Acquire and operate residential rental housing with a long-term ownership approach
- Establish stable occupancy and provide safe, functional housing for local residents
- Implement responsible property management and ongoing maintenance practices

Short-term Goals

- Complete full remediation of identified moisture, ventilation, insulation, and roof support issues, including roof replacement and heating system zoning, within 4 months of loan approval
- Restore all six units to safe, habitable condition and return the property to full occupancy within 6 months of completion of remediation work
- Maintain rental rates at fair, market-aligned levels while achieving sufficient net operating income to support ongoing operations and debt service

Long-term Goals

- Operate and maintain the property at an average annual occupancy rate of 95% or greater
- Implement proactive maintenance and capital planning to prevent recurrence of major building failures
- Hold the property for a minimum of 20 years while continuing to provide safe, stable rental housing for Hibbing residents

- Reinvest future capital to acquire and operate an additional residential rental property in Hibbing within 18-24 months

CUSTOMERS

Granite Homes LLC serves local workforce residents in Hibbing who depend on safe, affordable rental housing near employment and essential services. Over the tenure of ownership, Granite Homes LLC has served: traveling workers, local professionals, young families, and young adults searching for their independence.

SUPPORT PROFESSIONAL

Certified Public Accountant

John Woodrich, Remote Tax Services

Bank / Lender

Tim Smith, Frandsen Bank & Trust

Insurance

Nate Lehmann, Cartier Agency

Northland Small Business Development Center Consultant

Katherine Lahti

SUMMARY

Granite Homes LLC is the owner and operator of a six-unit residential rental property in Hibbing, MN. The business has a goal to provide safe, well-maintained living environments for local residents at fair, market-value rates with a long-term ownership approach.

This building is experiencing threats to habitability. Long-term deficiencies that have compounded over years and are now surfacing with moisture, deterioration, and more that require urgent action to correct and resolve, as the opposite will result in further deterioration and a greater risk of code compliance and habitability of the units in the building.

FINANCIALS

NOI Summary	***2316 2nd Ave W, Hibbing MN***	
Unit 1 -- 2 Bed, Unfurnished		$1,100.00
Unit 2 -- 1 Bed, Furnished		$1,100.00
Unit 3 -- 1 Bed, Furnished		$950.00
Unit 4 -- 1 Bed, Furnished		$900.00
Unit 5 -- 1 Bed, Furnished		$900.00
Unit 6 -- 1 Bed, Furnished		$975.00
Total monthly rent		**$5,925.00**
Rent Income - 100% leased	**per Yr**	$71,100.00
Less: Vacancy Allowance	**3%**	$2,133.00
Effective Gross Income (EGI)		**$68,967.00**
Operating Expenses		
Payroll	**2025**	$2,500.00
R.E. taxes	**2025**	$3,000.00
Insurance	**2026**	$5,701.37
Hibbing Public Utilities	**2025**	$9,564.31
MediaCom Wifi	**2025**	$2,608.00
Maintenance & Repairs	**5%**	$3,448.35
Miscellaneous	**3%**	$2,069.01
Total Expenses		$28,891.04
Net Operating Income (NOI)		$40,075.96
Debt Service (Principal & Interest Expense)		$23,784.48
NOI DSC	**1.2+ = Good**	1.68
Income after debt expense		**$16,291.48**
Income after debt expense, monthly		**$1,357.62**
HEDA Loan Amount	$36,231.00	
Interest Rate	3.00%	
Amortization	10 Yr	
HEDA Debt Service		$4,247.38

Updated NOI DSC	**1.2+ = Good**	1.43
Income after 2nd debt expense		**$12,044.10**
Income after 2nd debt expense, monthly		**$1,003.68**
Frandsen 2nd Mortgage	$40,000.00	
Interest Rate	7.00%	
Amortization	20 Yr	
Debt Service		$3,775.72
Updated NOI DSC	**1.2+ = Good**	1.26
Income after 2nd debt expense		**$8,268.38**
Income after 2nd debt expense, monthly		**$689.03**

APPENDIX 1

Please see 2025 Financial Statement for Granite Homes LLC, provided in email of application submission.

APPENDIX 2

Please see 2023 & 2024 Personal Tax Returns for Korey Dropkin, provided in email of application submission, which includes the respective tax returns for Granite Homes LLC.

APPENDIX 3

Outstanding Business Obligations:
Frandsen Bank & Trust Primary Loan
Original Balance: $260,000.00
Present Balance: $246,919.01
Interest Rate: ~6.783%
Amortization: 20-Yr
Monthly Payments: $1,982.04

Hibbing Economic Development Authority
AEOA – Single-Family Rehabilitation Program
Local Housing Trust Fund Write Up

Request: $75,000 – Local Housing Trust Fund (Grant)
Service Area: City of Hibbing, MN

ELIGIBILITY WITHIN THE PROGRAM FRAMEWORK

Arrowhead Economic Opportunity Agency (AEOA) is an eligible nonprofit organization under the Hibbing Economic Development Authority's Local Housing Trust Fund (LHTF) Process and Policy Guidelines. AEOA is authorized to administer housing rehabilitation activities that preserve and improve affordable owner-occupied housing within the City of Hibbing. The AEOA Board of Directors has authorized submission of the $75,000 application and the authority to enter into a grant agreement with HEDA upon funding award.

PROJECT OVERVIEW

AEOA is requesting $75,000 in Local Housing Trust Fund assistance to support its Single-Family Rehabilitation Program within the City of Hibbing. The program provides financial and technical assistance to income-eligible owner-occupants to complete critical home repairs including health and safety corrections, structural repairs, roof and exterior improvements, mechanical system replacements, accessibility modifications, sewer lateral repairs, and energy efficiency upgrades. By addressing deferred maintenance and infrastructure failures, the program stabilizes housing, extends the useful life of existing homes, and prevents displacement.

ALIGNMENT WITH LOCAL HOUSING TRUST FUND PRIORITIES AND FOCUS

- Preservation of Existing Affordable Housing: The program preserves owner-occupied housing that would otherwise deteriorate or become uninhabitable due to major repair needs, including failed sewer laterals.
- Housing Stability and Public Health: Assisting homeowners with critical infrastructure repairs directly protects public health, prevents property damage, and maintains safe living conditions.
- Community Revitalization: Rehabilitating aging housing stock improves neighborhood conditions, protects property values, and supports reinvestment in established residential areas within Hibbing.

REPORTING AND COMPLIANCE REQUIREMENTS

As a condition of funding, AEOA shall submit a report to the HEDA board following the conclusion of the construction season and prior to the City's required State reporting deadlines. The report shall include sufficient documentation to verify that funds were used appropriately and in compliance with Local Housing Trust Fund guidelines. Submission of this documentation will allow the City to verify compliance and ensure accurate reporting to the State of Minnesota.

STAFF RECOMMENDATION FOR DISBURSEMENT

- Grant Amount: $75,000
- Disbursement: Funds shall be disbursed upon approval by the HEDA board, a signed grant agreement, and AOEA providing sufficient documentation that projects are ready to commence. Eligible expenditures shall include qualified rehabilitation activities within the City of Hibbing, including sewer lateral repairs. Final reporting and documentation must be submitted following the construction season and prior to required State reporting to verify proper use of funds.

Hibbing Economic Development Authority
North St. Louis County Habitat for Humanity
Local Housing Trust Fund Write Up

Request: $60,000 – Local Housing Trust Fund (Grant)
Location: 1914 7th Avenue East & 1916 7th Avenue East, Hibbing, MN

ELIGIBILITY WITHIN THE PROGRAM FRAMEWORK

North St. Louis County Habitat for Humanity is an approved and eligible applicant under the Hibbing Economic Development Authority's Local Housing Trust Fund (LHTF) Process and Policy Guidelines. Further, it is a 501(c)(3) nonprofit organization authorized to construct affordable housing for income-qualified households. The organization maintains audited financial statements and demonstrated financial capacity to complete the proposed homes.

PROJECT OVERVIEW

North St. Louis County Habitat for Humanity proposes construction of two new single-family homes located at 1914 7th Avenue East and 1916 7th Avenue East in Hibbing. Construction is anticipated to begin June 2026 and conclude June 2027.

Each home will be sold to income-qualified households utilizing Habitat's affordability model, including homeowner education, sweat equity participation, and affordable mortgage financing.

Estimated property taxes upon completion are approximately $1,000 annually per home, returning the properties to the City's tax base.

ALIGNMENT WITH LOCAL HOUSING TRUST FUND PRIORITIES

- Creation of Affordable Housing: The project expands affordable homeownership opportunities within Hibbing.
- Public Purpose: Provides workforce housing and strengthens neighborhood stability.
- Leverage of Resources: Local Housing Trust Fund dollars will be combined with private donations, grants, and volunteer labor to complete the homes.

STAFF RECOMMENDATION FOR DISBURSEMENT

- Grant Amount: $60,000
- Disbursement: Funds shall be disbursed following approval by the HEDA board, a completed grant agreement, and used exclusively for eligible new construction costs associated with the two identified homes. The applicant shall provide documentation of project expenditures and confirmation of income-qualified homebuyer selection at regular intervals, at least annually, in advance of required State reporting deadlines.

Per HEDA LHTF Program Guidelines
Adoption Date: 12/16/2024

Hibbing Economic Development Authority
Granite Homes LLC Loan Write Up

Eligibility within the framework of the revolving loan fund plan:
Priority #1 — Investment in building renovations and energy efficiency improvements. The project involves roof replacement, ventilation installation, insulation removal and reinstall, mold remediation, heating system zoning, and interior rehabilitation necessary to restore structural integrity and habitability of a six-unit residential rental property.

The project aligns with HEDA Revolving Loan Fund objectives to preserve housing stock, improve energy efficiency, ensure code compliance, and reinvest in the Hibbing community.

Overall economic benefits of the proposed project:
Granite Homes LLC owns and operates a six-unit residential rental property serving workforce housing needs in Hibbing. Total monthly rents at full occupancy generates projected annual gross rent which will fund these improvements, along with the original mortgage for acquisition. The improvements will preserve six housing units currently threatened by moisture intrusion and structural deficiencies.

The project retains existing housing inventory, supports local contractors (3–4 anticipated), and protects the local tax base. The project prevents potential housing loss and economic decline associated with building deterioration.

Balance sheet and ratio analysis and determination of adequate capital and equity:
Total project cost is $108,694.

Funding structure:
HEDA Loan – $36,231
Frandsen Bank – $40,000
IRRR BER Grant – $8,175.33
Owner Equity – $24,287.67

Private leverage exceeds 2:1 relative to HEDA participation, meeting program requirements. Owner equity contribution demonstrates commitment and financial participation.

Analysis of repayment ability:
Based on projected financials Net Operating Income demonstrates sufficient capacity to service the proposed HEDA loan, along with the original mortgage and additional project debt.

Even accounting for bank participation, stabilized debt service coverage is projected to exceed 1.25:1. Repayment ability is contingent upon timely completion of renovations and restoration to full occupancy within six months of project completion.

Management skill of the applicant:
Korey Dropkin has been investing in real estate since 2020 and owns three additional properties in Duluth and Minneapolis. He manages financial oversight, marketing, and tenant coordination directly. The applicant proactively identified building system failures and engaged licensed contractors to develop a comprehensive remediation plan.

Management capacity and industry experience appear adequate to complete the project and maintain long-term stabilization.

Hibbing Economic Development Authority
Granite Homes LLC Loan Write Up

Collateral offered and lien position:
The HEDA loan will be secured by a subordinate mortgage on the property located at 2316 2nd Ave W, Hibbing, MN, along with a personal guarantee from Korey Dropkin. Property taxes and utilities are current.

Staff Recommended Loan Terms:
Loan Amount: $36,231
Interest Rate: 3.0% fixed
Term: 10 years
Security: Subordinate mortgage and personal guarantee
Payment: ACH required

Conditions:
- Confirmation of Frandsen Bank participation
- Confirmation of IRRR BER grant funding
- Verification taxes and utilities are current
- Proof of insurance
- Loan proceeds disbursed on reimbursement basis

Summary:
Staff recommends approval of a $36,231 HEDA Revolving Loan to Granite Homes LLC for rehabilitation and stabilization of the six-unit residential property located at 2316 2nd Ave W, Hibbing, MN.

The project meets HEDA Revolving Loan Fund priorities by preserving critical housing inventory, leveraging private investment at a minimum 2:1 ratio, improving energy efficiency and structural integrity, and protecting long-term economic stability within the community.

400 Block Demolition Project					
Source	**Amount**		**Task**	**Cost**	
HEDA	$	25,000	Bonds and Insurance	$	30,000
Mn DEED	$	407,000	Mobilization	$	7,500
Dept. of IRRR Grant 1	$	21,312	Waste Removal	$	30,000
Dept. of IRRR Grant 2	$	220,388	Asbestos Abatement	$	125,000
HEDA Add'l funds	$	35,000	Fence Installation	$	18,000
			Demolition	$	315,000
			Debris Transport/Disposal	$	85,000
			Backfill	$	20,000
			Topsoil	$	10,700
			Demobilization	$	7,500
			Demo Management	$	25,000
			Subtotal	$	673,700
			~5% Contingency	$	35,000.00
Totals	$	708,700	Total	$	708,700.00

507 E Howard Demolition (Alt 1)					
Source	**Amount**		**Task**	**Cost**	
St. Louis County	$	52,700	Bonds and Insurance	$	6,000
Dept. of IRRR	$	85,000	Fence Installation	$	9,000
			Building Separation	$	20,000
			Demolition	$	60,000
			Debris Transport/Disposal	$	15,000
			Wall Restoration	$	16,700
			Backfill	$	5,000
			Topsoil	$	1,000
			Demo Management	$	5,000
			Subtotal	$	137,700
			5% Contingency		
Totals	$	137,700	Total	$	137,700.00

City of Hibbing

CHANGE ORDER

Contractor: Dore & Associates

Change Order No.: 2

Address: 900 Harry Truman Parkway
Bay City, MI 48706

Project: 400 Block Demolition Project

---

1. Additional asbestos was found on pipes on the first floor in building 402.
2. Two additional layers of floor tile were found under the first layer of floor tile. The additional layers of floor tile contain asbestos.

Requested change order to remove the pipe insulation and additional floor tile.

Total Change Order No. 2	$ 16,240.00
Contract Time Change for Change Order No. 2	14 Days (Add)
Original Contract Completion	180 Days
Contract Completion from Change Order No. 1	240 Days
Contract Completion from Change Order No. 2	194 Days

Received by:

Dore & Associates
Contractor

Printed Name: Arthur Dore

Signature:

Date: 3/3/26

Issued by:

Hibbing City Engineer

Date: 3/3/26

Nationwide Specialty Contractor • Demolition | Abatement | Remediation
DORE & ASSOCIATES, INC.
P.O. Box 338 • Bay City, MI 48707-0338 • ph 989.684.8411 • fax 989.684.6683 • www.doreassoc.com

February 26, 2026

City of Hibbing
Betsy Olivanti
401 E. 21st Street
Hibbing, MN 55746

Project: City of Hibbing – Howard Street Demolition
RE: Change Order No. 2

Dear Betsy:

In regards to the additional asbestos found on the piping within the walls, as well as two layers of floor tile and sub floor, we offer the following options as Change Order No. 2.

OPTION #1

Piping:	$2,835.00
Flooring:	$11,205.00
	$14,040.00
Additional time for work:	14 days

Delay in work began on February 17, 2026; HEDA meeting is on March 3, 2026, which is a two-week delay thus far.

Containment running with power, as required:	$2,200.00 ($1,100.00 per week)
Additional time for delay:	14 days
TOTAL CHANGE ORDER REQUEST AMOUNT:	**$16,240.00**
TOTAL CHANGE ORDER REQUEST TIME:	**28 DAYS**

OPTION #2

Piping:	$2,835.00
Flooring:	$11,205.00
	$14,040.00
Additional time for work:	14 days

Delay in work began on February 17, 2026; HEDA meeting is on March 3, 2026, which is a two-week delay thus far.

Additional time for delay:	14 days
Demobilization and re-mobilization of containment:	$8,100.00
Additional final clearance test (as required):	$1,200.00
TOTAL CHANGE ORDER REQUEST AMOUNT:	**$23,340.00**
TOTAL CHANGE ORDER REQUEST TIME:	**28 DAYS**

After review, please advise on how the City wishes to proceed.

Thank you,

Arthur Dore, Manager
Dore & Associates, Inc.

At the regular Hibbing Economic Development Authority meeting held March 3, 2026, at 5:00 p.m., in the Hibbing City Council Chambers, [NAME] introduced the following Resolution and moved its adoption:

HIBBING ECONOMIC DEVELOPMENT AUTHORITY
ST. LOUIS COUNTY
STATE OF MINNESOTA

RESOLUTION NO. 26-03-01

RESOLUTION SUPPORTING WORKFORCE HOUSING PROJECT AND CREATION OF TAX INCREMENT FINANCING DISTRICT

WHEREAS, the City of Hibbing, Minnesota (the "City") or the Hibbing Economic Development Authority (the "EDA") intend to create a tax increment financing districts within the City to be designated as a redevelopment district as defined in Minnesota Statutes, Section 469.174, subdivision 10 (the "TIF District"); and

WHEREAS, Rebound Real Estate, LLC, a Minnesota limited liability company, or an entity affiliated therewith or related thereto (collectively, the "Developer"), has proposed to construct a mixed-use workforce housing development to be located on the certain real property owned by the EDA (the "Project"); and

WHEREAS, the EDA and the Developer entered into a Preliminary Development Agreement, dated August 11, 2025 (the "Original Preliminary Agreement"), setting forth the tasks the Developer and the EDA will undertake in determining whether to proceed with the Project and entering into a definitive agreement for the development of the Project; and

WHEREAS, due to unanticipated delays, the EDA agreed to execute a First Amendment to the Preliminary Development Agreement (the "First Amendment to Preliminary Agreement," and together with the Original Preliminary Agreement, the "Preliminary Agreement") that extends the deadline for the expiration of the Project; and

WHEREAS, the success of the Project depends on a grant from the Department of Iron Range Resources and Rehabilitation of the State of Minnesota (the "IRRR"), but IRRR requires the execution of a definitive development agreement (the "Development Agreement") between the EDA and the Developer; and

WHEREAS, the Developer has requested that the Board of Commissioners of the EDA (the "Board") indicate its support of the Project and support for the creation of the TIF District and the provision of certain tax increment financing assistance for the Project to allow the IRRR to process the grant prior to the execution of the Development Agreement; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Hibbing Economic Development Authority that:

1. The Board supports the undertaking of the Project, the creation of the TIF District and the provision of tax increment financing for the Project; provided, however, that authorization of tax increment financing for the Project is solely within the discretion of the EDA and the City following all legally required proceedings pursuant to Minnesota Statutes, Sections 469.174 through 469.1794, as amended, including (i) a public hearing and approval by the City Council of the City; (ii) a determination, based on an analysis performed by the City's municipal advisor, of the amount of tax increment financing assistance necessary for the Project; (iii) verification of development financing need, based on an analysis performed by the City's municipal advisor, that substantiates that "but for" the use of tax increment

financing, the Project would be unable to proceed; and (iv) the negotiation of the Development Agreement including (among other things) the conditions under which the City or the EDA will provide financial assistance.

2. This resolution does not constitute final approval of the financing contemplated in connection with the Project but is intended to provide local support for the Project to allow the Developer to obtain funding, including but not limited to the grant from the IRRR.

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

FOR:
AGAINST:
ABSTAIN:
ABSENT:

Adopted this 3rd day of March, 2026.

HIBBING ECONOMIC DEVELOPMENT AUTHORITY

President Steven Jurenes

Deputy Clerk Sheena Mulner

Loan Application for Hibbing Economic Development Authority

Business Name: ____

Business Address: ____
Street City State Zip Code

Business Phone: ____________________

Name of Principal No. 1:	Name of Principal No. 2:
______________________________	______________________________
Home Address: ______________________ Street	Home Address: ______________________
______________________ City State Zip Code	______________________ City State Zip Code
Home Phone: ______________________	Home Phone: ______________________

Type of Business (LLC, Corp, Sole Prop): ______________________________________

Date Established: ____________

Type of Loan Requested: ☐ Revolving Loan ☐ Deferred Loan

Amount of financing request from Hibbing Economic Development Authority: ______________________

Total Project Costs: ____

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: ______________________ Title: ______________ Date: ____________

Name: ______________________ Title: ______________ Date: ____________

PLEASE INCLUDE WITH YOUR APPLICATION (Further Documentation will be Required Upon Approval of Loan – See Loan Guidelines or Deferred Loan Program 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

Business Plan (Sample can be found at www.northlandsbdc.org/business-resources/)

For businesses incorporated less than two years, or, those with a large (over $50,000) loan request, ALL information below must be supplied with the signed and dated loan application. In addition, all information must be consistent with each other. Any applications received, which are incomplete or not signed, will cause delays in review of the application.

For long-established business, a subset of the following information may be required, depending on the size of the loan request. Contact HEDA Executive Director to receive guidance on requirements.

Section 1: *Executive Summary*

A brief description of the project, timeline, funding request from HEDA, and total project costs.

Section 2: *Business Description*

The history and description of the business should be one or two pages describing the company, operation and product line, history, principals, market and competition, affiliates, legal structure, and employment. Include vision and mission.

Section 3: *Goals*

Describe in detail how the total project funds will be used, project timeline, short/long term S.M.A.R.T. goals

Section 4: *SWOT Analysis*

Describe the strengths, weaknesses, opportunities, and threats for the company and the project.

Section 5: *Customers/Competition*

Describe your customers (demographics, psychographics, and geographic area) and competitors (along with strengths and weaknesses of each)

Section 6: *Industry Characteristics & Trends/Sales Projection Data*

Potential customer base, national trends, competitive advantage, share of existing marketing to capture. Provide a detailed sales strategy including such items as: a. Target Market b. Competition c. Pricing d. Distribution e. Advertising f. Sales Promotion g. Independent Market Studies

Section 7: *Marketing Plan*

What channels will you use to reach your customers?

Section 8: *Support Professionals*

Please list your CPA, Attorney, Bank, Insurance, SBDC Consultant, etc.

Section 9: *Financial Projections, including assumptions*

All projections must cover a minimum of two complete fiscal years, two (2) years proforma balance sheets, two (2) years projected income statements and two (2) years projected cash flow (monthly and annually). Any assumptions about income or expenses must be described in detail.

Appendix 1: *Interim Financial Statements, for current business*

An applicant must provide a balance sheet and income statement, which is less than 90 days old.

Appendix 2: *Business and Individual Taxes*

Applicant must provide business and individual income taxes for the past three fiscal years. If business has been in existence less than three years, provide as many as possible, and/or identify as a start-up entity.

Appendix 3: *Affiliates, if applicable*

Description of any affiliates or subsidiaries of applicant(s), as well as balance sheets and income statements for past two fiscal years on such affiliates or subsidiaries.

Appendix 4: *List of outstanding business obligations or debt schedule, for current businesses, if applicable*

This list will include original amount and date, present balance owed, interest rate, monthly payment, maturity, and security pledged for each loan or debt your business currently has. Please indicate whether the loan is current or delinquent. All obligations must be consistent with interim balance sheet.

Appendix 5: *Resumes and Personal Financial Statements*

Resumes of all principals and key management personnel as well as current, dated, and signed personal financial statements from all principals with significant financial interest in this business must be included.

Note: Any additional information you feel would be pertinent to this application should be included as an additional appendix.

Job Creation

	Full Time	Part Time	Total Full Time Equivalent*
Number of Existing Employees	________	________	___________
Number of New Jobs Created	________	________	___________

**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	________________	Land	________________
HEDA Revolving Loan	________________	Building	________________
HEDA Deferred Loan	________________	Equipment	________________
Loan ________________	________________	Inventory	________________
Loan ________________	________________	Start-Up Costs	________________
Line of Credit	________________	Goodwill	________________
	________________	Refinance	________________
TOTAL	________________	Working Capital	________________
		TOTAL	________________

Loan Description: Include lending institution, interest rate, and loan term from list above

	Lending Institution	Interest Rate	Loan Term	Secured? (Y/N)
Loan				
Loan				
Loan				
Loan				

List of collateral and estimated values:

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

HIBBING ECONOMIC DEVELOPMENT AUTHORITY

DOWNTOWN REDEVELOPMENT DISTRICT

COMMERCIAL REHABILITATION PROGRAM

DEFERRED LOAN GUIDELINES

Approval Date: August 14, 2023
Revised: ~~November 20, 2023~~ March 3, 2026

1. Purpose

   The City of Hibbing, through the Hibbing Economic Development Authority (HEDA), offers the Downtown Redevelopment District Commercial Rehabilitation Deferred Loan Program to support reinvestment in commercial properties located within the City's Downtown District and commercial corridors, including projects that bring vacant or underutilized buildings back into productive use. The HEDA Board will designate these commercial corridors, as needed, to concentrate the investment on areas where it will enhance the overall value tax capacity.

2. Statement of Affirmative Action

   2.1. It is the policy of the City that no individual shall be discriminated against because of race, color, religion, creed, national origin, disability, marital status, age or status with respect to public assistance.

   2.2. The City shall ensure that every person be given full and equal opportunities for participation in the deferred loan program undertaken by this project.

   2.3. HEDA shall take necessary actions to guarantee that minority contractors and subcontractors are provided equal opportunity to perform rehabilitation work.

   2.4. It shall be the responsibility of HEDA to encourage all contractors participating in the rehabilitation deferred loan program to pay prevailing wage and carry out Affirmative Action Policies necessary to assure equal employment opportunity in all aspects of employment, regardless of race, creed, color, religion, sex, national origin, marital status, age or status with respect to public assistance.

   2.5. In no case shall HEDA or Agent be in conflict with the State or Federal Statutes as they relate to equal opportunities for employment.

3. Delegation of Authority

   HEDA has been given the authority to set the guidelines for participation in the program and may amend this Handbook as it deems necessary within the regulations established. HEDA shall be responsible for ensuring that only eligible applicants, as set forth by the HEDA Loan Program Guidelines, receive project funds. HEDA will assure that all rehabilitation repairs will meet program eligibility.

4. Review Committee

   The loan review committee will consist of members representing HEDA. The final determination on all loan applications rests with the full HEDA Board.

5. Definitions

   5.1. Suitable for Rehabilitation Property: The property must be structurally sound and economically feasible to rehabilitate as determined by Agent Rehabilitation Specialist.

5.2. Standard Property: A unit which has no defects or only slight defects which are normally corrected during the course of routine and regular maintenance.

5.3. Substandard Property: A unit which needs more repair than would normally be provided in the course of regular maintenance. A substandard commercial unit needs two or more major improvements such as roof replacement, furnace replacement, electrical wiring, plumbing, etc.

5.4. Substandard but Suitable for Rehabilitation Property: A unit which needs two or more major improvements but is economically feasible to rehabilitate.

5.5. Dilapidated Property: A substandard unit with numerous serious defects. Dilapidated units will not be rehabilitated. The unit does not meet the "suitable for rehabilitation" definition.

6. Property Eligibility

6.1. The property must be a commercial business located within the Hibbing Focus District or commercial corridors designated by the City. Mixed-use buildings are eligible when commercial space is part of an overall rehabilitation project. Housing units above a commercial space within the Downtown Focus District may qualify for Deferred Loan funding provided the units are not occupied by the owner of the business below, unless the business owner is renting the commercial space from the building owner.

6.2. Properties that are designated as historic or located within a designated historic district may be subject to review and approval by the State Historic Preservation Office (SHPO) or other applicable historic review authority. Applicants are responsible for obtaining required approvals.

6.3. The property must comply with applicable zoning ordinances or land use guidelines.

6.4. The property must be Suitable for Rehabilitation, as defined at Section V.

6.5. Each property will have a Full Application completed.

6.6. The property taxes and utilities must not be delinquent.

7. Applicant Eligibility

7.1. The recipient of funds under this program must have interest in one of the following types of ownership in the property to be improved:

7.1.1. A fee title; or

7.1.2. A fee title subject to a mortgage or other lien securing a debt; or

7.1.3. A mutually binding contract (contract for deed) for the purchase of the property where the borrower is rightfully in possession and the purchase price is payable in installments. The Contract for Deed must be recorded at the office of the County Recorder. The contract for deed vendor (seller) must agree to enter into the

Deferred Commercial Rehabilitation Repayment Agreement and Mortgage as additional signatories not in possession.

7.2. Any person who is (1) an employee, agent consultant, officer or elected or appointed official of the City of Hibbing or its' Agent who exercises or has exercised a function or responsibility with respect to assisted rehabilitation activities or (2) is in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from the activity or have an interest in any contract, subcontract or agreement with respect thereto or the proceed thereunder, either for themselves, their immediate family, or those with whom they have business ties, during their tenure and for one (1) year thereafter shall be required to comply with Minn. Stat. § 471.88, subd.14. In this circumstance, as per Minn. Stat. § 471.88, subd.14, the following procedures must be followed:

7.2.1.1. The interested officer discloses that he or she has applied for a deferred loan through this program.

7.2.1.2. That interest is recorded in the official minutes.

7.2.1.3. The interested officer abstains from participating in the discussion and voting on the matter.

7.2.1.4. The local development organization approves the application by unanimous vote.

8. Data Privacy

Information on program applicants is private data which will be administered in accordance with the Minnesota Government Data Practices Act. Information or documentation shall be determined to be necessary if it is required for purposes of determining or auditing a properties eligibility to receive a deferred loan, for verifying relating information or for monitoring compliance with equal opportunity requirements. The use or disclosure of information obtained from a property owner or from another source pursuant to this release and consent is limited to purposes directly connected with the administration of this project under which the property owner is receiving assistance. Financial data received by Agent in its applicant's verification process is considered Private Data and is subject to Privacy of Information Provisions, pursuant to State Statutes.

9. Financial Assistance

9.1. Deferred Loan assistance is typically limited to no more than one-third (1/3) of total project costs. Deferred Loans may be combined with other HEDA financing programs for the same project, provided total HEDA participation does not exceed one-third (1/3) of total project costs and is equal to or less than the primary private-sector lender.

9.2. Deferred Loans must be repaid as required if the building is sold in less than 5 years. The HEDA Board may approve written requests for an exception to this provision with approval recorded in meeting minutes. Deferred loans are forgiven on a prorated basis each year with the loan completely forgiven on the first day of the sixth year from the date of closing.

9.3. The Deferred Loan will have a recorded mortgage and a lien placed against the property for the term of the loan. Truth in lending policies will be adhered to.

9.4. Deferred Loans will be secured with a Repayment Agreement with the following terms and conditions:

9.4.1. Simple interest of 1% will begin accruing when the loan is fully executed. This interest will be forgiven along with the principal as the note is forgiven.
9.4.2. A Deferred Loan will be 100% forgiven on the first day of the sixth year after loan execution, provided: the requirements for job creation and building improvements have been met, the location's property taxes are current, and the location's utility bill is current at the time forgiveness is requested.
9.4.3. If the property is sold or title transferred before the end of fifth year, the loan balance (initial loan less interest only payments in the first year and pro rata loan forgiveness in subsequent years) must be repaid to the Hibbing Economic Development Authority at the time of closing, or, assumed by the new owner at the time of closing, provided the new owner files the appropriate loan paperwork to demonstrate financial feasibility and said assumption is approved by the HEDA Board.
9.4.4. Program participants are required to demonstrate appropriate financing for the remaining project costs after HEDA Deferred Loan funds have been determined prior to commencing commercial rehab work.

10. Conditions of Default
10.1. If, for any reason, the borrower does not continue to meet the requirements for job creation, building improvements, keeping property taxes and utility bill current, the HEDA Board may call the note due in full at time that default is recognized back to the date when the stated requirements failed to be met.
10.2. If the note defaults within the five-year deferral period, the note called will be with the pro-rated amount of the principal plus interest associated with that amount for each year that requirements were met forgiven.

11. Eligible Work Items

11.1. Funds from this program may be used to:
11.2. Address Building Code Violations, address exterior building improvements and to remove health, safety or other deficiencies. For example, roofing, siding, plumbing, water supply, waste systems or wiring may be eligible for repair; or

11.3. Improve the property by increasing the structure's energy efficiency through, for example, upgrading insulation, windows and doors; or

11.4. Modify or rehabilitate the commercial unit to make it accessible for handicapped or disabled individuals. Accessibility Improvements include such improvements as: structural, exterior, bathroom or other improvements to commercial buildings which are necessary to enable a handicapped person to function independently in a commercial setting.

11.5. Construct new commercial structures in the Downtown District (not additions).

11.6. Improvements to the property which can be demonstrated by the owner to be in keeping with the intent of this program

11.7. All work, or construction completed with HEDA Deferred Loan funds will comply with applicable building codes and standards.

11.8. Rehabilitation Deferred Loans will be used to finance improvements that can normally be completed within six to twelve months from the date of the issuance of the Proceed to Work Order. Applicants must request additional time from HEDA if the project cannot commence within thirty (30) days and complete within twelve (12) months.

11.9. Certain costs required by law or regulation shall be eligible costs with respect to the program. These costs include permits and other similar costs

11.10. Up to 10% of awarded grant funding may be utilized for professional services such as an architect or engineer.

12. Ineligible Activities

12.1. Rehabilitation Deferred Loans (except for necessary replacement undertaken in connection with eligible improvements) may not be used to finance:

12.2. Landscaping (except to conduct water away from the dwelling); or

12.3. Work begun or completed before the date of the Proceed to Work Order.

12.4. Additions to structures are not eligible, however, the building owner may utilize match financing to undertake such improvements.

12.5. Rehabilitation Deferred Loans shall not be used for refinancing an existing mortgage or debt or the purchase of equipment.

12.6. No Deferred Loans shall be paid to program participants for any improvements made under this program who have sold their commercial property prior to execution of the Completion Certificate.

12.7. Misrepresentations - Any material misrepresentation on the part of the applicant, revealed through the application process or otherwise may result in a determination of ineligibility. The applicant shall be notified in writing of such determination by Agent and shall be given the opportunity to request an informal review of the matter

13. Rehabilitation Procedures

13.1. Applications will be processed on a first come first serve basis.

13.2. As part of the application, the building owner will provide documentation with regard to their building improvement needs which may include an inspection report of the property identifying code related issues, energy, and other deficiencies or other such documents to substantiate the need for rehabilitation.

13.3. Project Selection: the HEDA Budget and Finance committee will be assigned to evaluate all applications for eligible activities.

13.4. The sub-committee will assess the applications, deemed to meet the minimum eligibility requirements, based upon the following factors, which are not necessarily listed in order of importance:

13.5. Applications for improvements made to owner-occupied buildings will be given priority.

13.6. The extent the proposed project addresses program objectives with projects involving visible exterior improvements that address conditions which contribute to slum and blight conditions scoring higher.

13.7. The extent that the proposed project addresses handicapped accessibility conditions.

13.8. If the commercial building owner is found eligible based on the application and the project is selected for rehabilitation assistance, the owner is notified of the decision.

13.9. Notification to Ineligible Building Owners – HEDA will give an applicant prompt written notice of a decision denying assistance to the applicant. The notice shall also state that the applicant may request an informal review of the decision and shall describe how to obtain the informal review.

13.10. If the building is on the national historic register or is part of a designated historic district, the applicant is required to provide documents demonstrating compliance with the State Historic Preservation Office requirements.

13.11. Every effort must be made by the applicant to secure a minimum of two bids per job, the bids will have copies of the appropriate wage decisions attached. If only one bid is secured, additional documentation must be provided to demonstrate that the bid was reasonable and additional bids were solicited but not received. As required by projects receiving State IRRRB funding, current wage decisions will also become part of the contract documents.

13.12. It is required that all participating contractors be insured and to be licensed and/or bonded as required by state and/or local ordinances. Contractors are also required to conform to the Davis Bacon Act which states that workers are to receive no less than the prevailing wage for similar work in the locality, the Contract Work Hours and Safety Standards Act which states that workers are to receive overtime compensation at a rate of 1½ times their regular wage after they have worked 40 hours in one week and to the Copeland "Anti-kickback" Act which states workers are to be paid once per week. Contractors are also required to maintain payroll records and submit weekly payrolls and statements of compliance to the contracting agency.

13.13. Once the loan documents are signed, the mortgage is recorded, and a lien is placed against the property for the term of the loan. The HEDA Board may negotiate a different interest only term, if warranted by the project and will be recorded in the record of approval.

13.14. Building permits, mechanical permits, and all other regulations including State Building Code, State Fire Code, and City Code shall be secured and are the responsibility of the Applicant or their agent.

13.15. All construction work performed under contract shall be in compliance with an approved warranty covering workmanship and materials, as noted in the Contractor Package between contractor and Property Owner.

13.16. If the contractor becomes involved in a situation where the work cannot be completed within the time frame specified in the Agreement Between Contractor and Property Owner or the relationship between the contractor and the building owner deteriorate to the point where the job cannot be completed by the original contractor a change order to complete the remainder of the work using a new contractor may be considered by the building owner.

13.17. The building owner notifies Agent promptly if defects or problems arise. When all work is completed, the property and work is inspected, and a Completion Certificate is executed between the building owner and contractor. A lien waiver for the amount to be paid is required prior to contractor payments.

13.18. After a passing final inspection, City Agent will submit the signed Completion Certificate and Final Invoice to HEDA's Agent for disbursement.

14. Appeals and General Complaints

General complaints that do not warrant a hearing shall be in writing and be addressed to HEDA. A written response to the complaint will be issued within 30 days.

15. Amendment

These policies and procedures may be amended or changed at any time by the City of Hibbing, except where a signed agreement precludes a change.

City of Hibbing - HEDA
Loan Balances
As Of 2/26/2026

Fund 250 - Industrial Development Loans — all HEDA loan payments had been suspended for 6 mos. From 4-1-2020 to 9-30-2020 due to COVID

	Borrower	Status	ACH?	Balance	Orig. Loan Amount	Pmt. Amt.	Int. Rate	Loan Date	End Date	Term (# Mo.)
250-11955	Rock 'N' Rollers Salon LLC	judgement sent to collections - last payment rec'd 2/11/26	Y	16,852.89	Up to $25,000	285.82	3.50%	10/1/2015	1/1/2028	refinanced Jan., 2020
250-11957	Rich & Sherri Lees/former Houghton Bldg	up to date	Y	7,458.31	100,000.00	1,085.27	5.50%	2/19/2016	8/19/2026	60 end date shown inc. moratorium
250-11973	RMB Environmental	up to date	Y	112,685.57	250,000.00	2,989.51	3.50%	3/8/2019	3/8/2029	2 Yr I/O + 8 Yr P&I
250-11974	Moxie	Past due for January 2025 - February 2026 - Waiting on process server	Y	1,942.27	10,000.00	184.17	4.00%	3/25/2019	3/25/2025	1 yr I/O + 5 Yr P&I
250-11977	Iron Range Plumbing	up to date	N	21,555.39	50,000.00	503.23	4.00%	7/1/2019	7/1/2029	10 YRS
250-11980	Range Steel Fabricators	up to date	Y	38,130.58	81,900.00	829.20	4.00%	10/8/2019	10/8/2029	10 YRS
250-11987	Advanced Machine Guarding Solutions	up to date	Y	215,232.90	250,000.00	2,414.02	3.00%	12/4/2020	12/4/2030	2 YRS I/O + 8 YRS
250-11989	Howard Court Salon Covid Loan	up to date	Y	750.00	9,000.00	150.00	0.00%	12/23/2020	7/1/2026	I/O Extended to December 2023
250-11990	A-1 Refrig. Covid Loan	up to date	Y	3,333.15	40,000.00	666.67	0.00%	12/23/2020	7/1/2026	5 YRS no pymnt 1st 6 mos.
250-11991	Lees Rentals Covid Loan	up to date	Y	3,333.15	40,000.00	666.67	0.00%	12/23/2020	7/1/2026	5 YRS no pymnt 1st 6 mos.
250-11992	Mesaba Animal Hospital Covid Loan	up to date	Y	3,333.15	40,000.00	666.67	0.00%	12/23/2020	7/1/2026	5 YRS no pymnt 1st 6 mos.
250-11994	Elks Lodge Covid Loan	up to date	Y	999.82	10,000.00	166.67	0.00%	2/2/2021	8/2/2026	5 YRS no pymnt 1st 6 mos.
250-11995	Arrowhead Motorcyle Covid Loan	Past Due for October 2024 - February 2026	Y	5,102.55	25,000.00	416.67	0.00%	2/1/2021	8/1/2026	5 YRS no pymnt 1st 6 mos.
250-11998	Lees 1818 E 3rd Old Range Cable	up to date	Y	1,483.16	40,000.00	745.72	4.50%	4/8/2021	4/8/2026	5 YRS
250-11999	Lees 1809 E 3rd Hibbing Glass	up to date	Y	1,483.16	40,000.00	745.72	4.50%	4/8/2021	4/8/2026	5 YRS
250-12000	Tromco Electric, Inc. Covid Loan	up to date	Y	5,333.16	40,000.00	666.67	0.00%	4/7/2021	10/1/2026	5 YRS no pymnt 1st 6 mos.
250-12001	No.Star Dental	up to date	Y	5,333.16	40,000.00	666.67	0.00%	4/14/2021	10/1/2026	5 YRS no pymnt 1st 6 mos.
250-12002	Eye Clinic North Covid Loan	up to date	Y	7,333.17	40,000.00	666.67	0.00%	7/8/2021	1/1/2027	5 YRS no pymnt 1st 6 mos.
250-12004	Arrowhead Motorcyle Covid Loan	Past due for December 2024 - February 2026	Y	5,750.00	15,000.00	250.00	0.00%	4/7/2021	10/1/2026	5 YRS no pymnt 1st 6 mos.
250-12005	Moxie Covid Loan	Past due for January 2025 - February 2026- Waiting on process server	Y	14,571.24	40,000.00	666.67	0.00%	4/23/2021	10/1/2026	5 YRS no pymnt 1st 6 mos.
250-12006	Blue Moon Covid Loan	up to date	Y	5,333.16	40,000.00	666.67	0.00%	4/22/2021	10/1/2026	5 YRS no pymnt 1st 6 mos.
250-12008	Tromco Equipment Loan	up to date	Y	33,198.42	up to 50,000.00	564.04	2.00%	4/23/2021	4/23/2031	I/O for 2 yrs, then amort. 8 yrs.
250-12009	Sammy's COVID Loan	up to date	Y	6,666.50	40,000.00	666.67	0.00%	6/9/2021	12/1/2026	5 YRS no pymnt 1st 6 mos.
250-12010	Eye Clinic North	up to date	Y	213,523.02	250,000.00	$416.67/$2820.22 (begin 12/1/24)	2.00%	10/17/2022	11/1/2032	I/O for 2 yrs, then amort. 8 yrs.
250-12011	Hibbing Fabricators COVID Loan	up to date	Y	7,333.17	40,000.00	666.67	0.00%	7/26/2021	1/1/2027	5 YRS no pymnt 1st 6 mos.
250-12012	Bach Yen COVID Loan	up to date	Y	7,333.17	40,000.00	666.67	0.00%	7/23/2021	1/1/2027	5 YRS no pymnt 1st 6 mos.
250-12014	Benders COVID Loan	up to date	Y	9,333.18	40,000.00	666.67	0.00%	10/29/2021	4/1/2027	5 YRS no pymnt 1st 6 mos.
250-12017	MCKB Properties LLC	up to date	Y	11,742.02	40,000.00	701.11	2.00%	3/17/2022	4/30/2027	5 YRS
250-12018	Rudi's Pizza	up to date	Y	9,544.49	50,000.00	876.39	2.00%	12/8/2021	1/1/2027	5 YRS
250-12019	Wicked Apothecary COVID Loan	Up to date	Y	5,400.00	18,000.00	300.00	0.00%	2/15/2022	8/1/2027	5 YRS no pymnt 1st 6 mos.
250-12023	Iron Range Makerspace	up to date	Y	87,537.41	122,000.00	$305.00/$1,290.39	3.00%	10/14/2022	11/1/2032	I/O for 1 yr, then amort. 9 yrs
250-12024	Freebs Fitness	up to date - Asked to be drafted extra $171.15 in principal starting 9/2024	Y	36,018.08	50,000.00	$125.00/$528.85	3.00%	11/28/2022	12/1/2032	I/O for 1 yr, then amort. 9 yrs
250-12025	Mike's Pub (Brianna Clemons)	up to date	Y	36,929.88	50,000.00	482.80	3.00%	2/6/2023	3/1/2033	10 YRS
250-12026	Lees - 3923 First Avenue	up to date	Y	30,476.30	40,000.00	386.24	3.00%	5/15/2023	6/1/2033	10 YRS
250-12028	Winchester LLC	up to date	Y	40,219.51	50,000.00	504.61	3.00%			I/O for 6 mos; then amort. 9.5 yrs
250-12030	Iron Range Management LLC	up to date	Y	137,109.14	149,000.00	1,438.76	3.00%	7/26/2023	8/1/2033	10 YRS
250-12031	Elevate Skin & Laser LLC (Stacy Tardy)	up to date	Y	38,392.75	47,500.00	$118.75/$472.23	3.00%	9/14/2023	9/1/2033	10 YRS
250-12032	LBR Assets, LLC (The Iron House)	up to date	Y	84,445.72	100,000.00	$250/$1,009.21	3.00%	9/15/2023	9/1/2033	10 YRS
250-12033	Iron Range Restaurants, LLC	up to date	Y	120,115.06	126,000.00	$893.91	3.00%			15 YRS
250-12034	Red Rock Hotel	up to date	Y	459,157.92	500,000.00	$5,288.47	3.00%	4/4/2024	4/1/2034	I/O for 1 year; then amort. 9 yrs
250-12035	Heartwood Center	up to date	Y	69,999.86	75,000.00	$554.77	4.00%	11/3/2024	10/3/2039	15 YRS
250-12036	BGM, LLC (Mike's Pub)	up to date	Y	42,216.78	50,000.00	$504.61	3.00%			I/O for 6 mos; then amort. 9.5 yrs
250-12037	Rich & Sherri Lees (Depot)	up to date	Y	62,353.11	70,000.00	$675.93	3.00%	12/1/2024	11/1/2034	10 YRS
250-12038	Iron Range Management LLC	Total drawn to date is $85,780.11	Y	85,780.11	144,373.80	$1,457.04	3.00%	7/1/2025	6/1/2035	I/O for 6 mos; then amort. 9.5 yrs
250-12039	Iron Range Management LLC	loan documents signed - drawing on other loan first.	Y	-	58,900.00	$147.25/$622.98	3.00%	9/8/2025	9/1/2035	I/O for 12 months; then amort. 9 year
250-12040	Hibbing Heating & A/C	Drafted for interest only	Y	45,191.48	45,191.48	$112.98/$456.08	3.00%	10/23/2025	10/1/2035	I/O for 6 months; then amort. 9.5 yea
250-12041	Yoder Building Supplies	Made draws of $40,812.77 & $96,904.43. Total drawn to date is $137,717.20	Y	137,717.20	250,000.00		3.00%			
250-12042	Bulanja Investments		Y		40,919.00		3.00%			contingent upon other financing
250-12043	Range Steel Fabricators	Drafted for principal and interest	Y	127,580.44	128,500.00		3.00%			
				2,295,064.22						

Fund 420 - Storefront

	Borrower	Status	ACH?	Balance	Orig. Loan Amount	Pmt. Amt.	Int. Rate	Loan Date	End Date	Term (# Mo.)
420-11981	Rich & Sherri Lees - 101 E HOWARD (BLUE MOON)	up to date	Y	17,344.65	80,000.00	868.21	5.50%	01/04/17-1/12/17	1/12/2022	60
				17,344.65						

Fund 422 - Deferred Loan Program

	Borrower	Status	ACH?	Balance	Orig. Loan Amount	Pmt. Amt.	Int. Rate	Loan Date	End Date	Term (# Mo.)
422-11901	Winchester LLC	1/5 Forgiven - met requirements for job creation/retention	Y	36,000.00	45,000.00	-	0.00%	11/16/2023	11/16/2028	60
422-11902	BGM, LLC (Mike's Pub)	1/5 Forgiven - met requirements for job creation/retention	Y	20,800.00	26,000.00	-	0.00%	11/21/2023	11/21/2028	60
422-11903	TRM, Inc. (DBA Sammy's)	1/5 Forgiven - met requirements for job creation/retention	Y	60,000.00	75,000.00	-	0.00%	1/23/2024	1/23/2029	60
422-11904	Bender's	1/5 Forgiven - met requirements for job creation/retention	Y	24,000.00	30,000.00	-	0.00%	4/22/2024	4/22/2029	60
422-11905	Rudi's Pizza	1/5 Forgiven - met requirements for job creation/retention	Y	32,000.00	40,000.00	-	0.00%	9/13/2024	9/13/2029	60
422-11906	Rich & Sherri Lees - Andrew Mason Lees Bldg	1/5 Forgiven - met requirements for job creation/retention	Y	60,000.00	75,000.00	-	0.00%	10/21/2024	10/21/2029	60
422-11907	Sunrise Bakery	fully drawn	Y	75,000.00	75,000.00	-	0.00%	2/14/2025	2/14/2030	60
422-11908	Boomtown Brewery	fully drawn	Y	100,000.00	100,000.00	-	0.00%			60
422-11909	Howard Court Properties LLC	fully drawn	Y	61,429.20	61,429.20	-	0.00%	7/14/2025	7/14/2030	60
422-11910	Iron Range Makerspace	fully drawn	Y	6,138.00	6,138.00		0.00%	10/24/2025	10/24/2030	60
422-11911	Hibbing Heating & Air Conditioning	fully drawn	Y	45,191.48	45,191.48		0.00%	10/23/2025	10/23/2030	60
422-11912	Lees - 1907 E 3rd Av	fully drawn	Y	36,302.25	36,302.25		0.00%	11/7/2025	11/7/2030	
				556,860.93	515,060.93	excludes boomtown which was trx from fd 250				

(A) Sum of Rich Lees loans	***183,931.84***
Life Insurance contract	***$ 275,000.00***
Outstanding loan balances	**$ (183,931.84)**
Excess (Deficiency) in Life Ins.	***$ 91,068.16***
(A) Sum of Jacob Hanson's loans	***343,004.31***
Life Insurance contract	***$ 468,883.06***
Outstanding loan balances	**$ (343,004.31)**
Excess (Deficiency) in Life Ins.	***$ 125,878.75***
(A) Sum of Sravan Bodanapu's loans	***459,157.92***
Life Insurance contract	***$ 500,000.00***
Outstanding loan balances	**$ (459,157.92)**
Excess (Deficiency) in Life Ins.	***$ 40,842.08***

Sum of all COVID Loans 96,571.73

Fund 250 - HEDA economic dev/revolving fund

Cash	$ 1,201,742.96
Committed (Iron Range Mgmt)	$ 58,593.19
Committed (Iron Range Mgmt)	$ 58,900.00
Committed (Yoder)	$ 112,282.80
Committed (Bulanja Investments)	$ 40,919.00
Available to lend	$ 931,047.97

Fund 420 - HEDA Storefront Reno Fund

Cash	$ 218,988.97
Committed (None)	
Available to lend	$ 218,988.97

Fund 422 (Deferred loan program)

Cash	$ -
Available to lend	$ -

UNAUDITED STATEMENT

Jefferson School Site

NORTH SHORE

DEVELOPMENT CO.

HIBBING ECONOMIC DEVELOPMENT AUTHORITY
MARCH 3, 2026

Who We Are

- Mortgages and Financial Advisor.
- Real Estate Appraiser for St. Louis County.
- Senior Economic & Housing Developer- City of Duluth/DEDA & HRA.
- Minnesota Real Estate Broker (former)
- Exec. Director-Cook County HRA.
- Master's degree in Management.

- Global Contract Analyst- US Steel
- Planner II- City of Duluth
- Senior Housing Developer- City of Duluth/Duluth HRA
- Executive Director- Cook County/Grand Marais Joint Economic Development Authority
- City Clerk- City of Excelsior

Combined
- 20+ years in real estate/project mgmt. in local government in MN.
- Worked on over 40 housing/ED/development projects.
- Secured over $40 million in grants and local resources.
- Assisted/assisting creation/rehab of over 1,900 units of housing.
- Work has resulted in over $300 million of private/external investment.

Property Recap

Approximately 10.3 acres

Currently zoned R-3, which allows:
- Single family
- Apartment buildings
  - Maximum of 16 units per acre
- Townhomes
- Condominiums (5+ units)

Building is vacant
- Daycare relocated 12/31/25

HEDA acquired in 2025

Preparing for demolition

Too new for HTC, too small for LIHTC

City Project Outline

Phase 1 – Due Diligence: Environmental review, surveys, demolition planning, financial analysis, and legal work.

Phase 2 – Site Readiness: Demolition, utilities, platting, developer selection, and finalization of housing program.

Phase 3 – Construction: Groundbreaking and vertical build-out.

City established next steps:

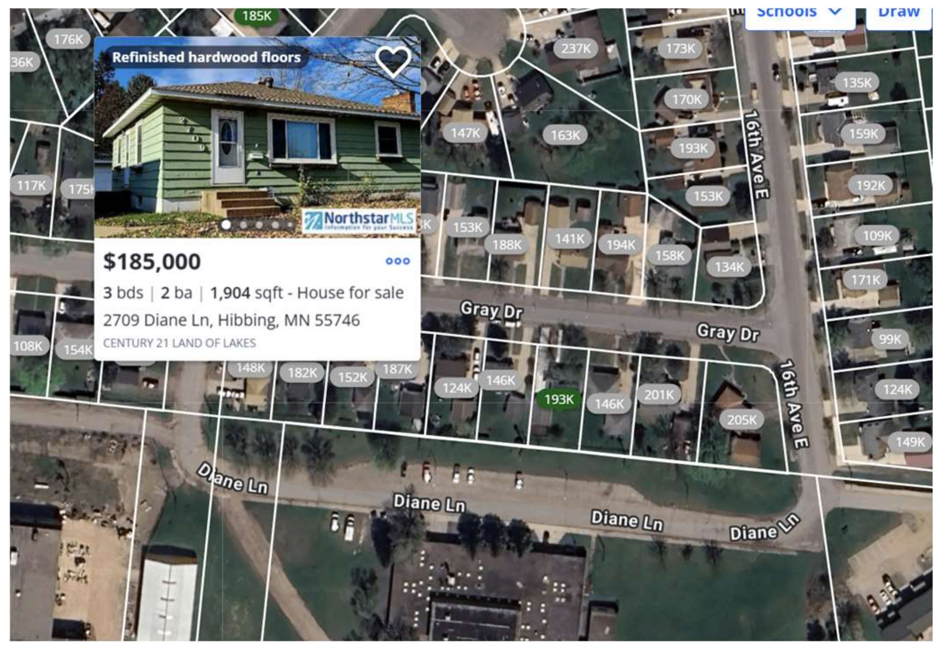
- Wetland delineation
- Pre-demolition asbestos and hazardous materials assessment
- Boundary and topographic survey
- Phase I Environmental Site Assessment
- Tax Increment Financing (TIF) analysis and resolution
- Municipal advising and legal work

The Site in Context

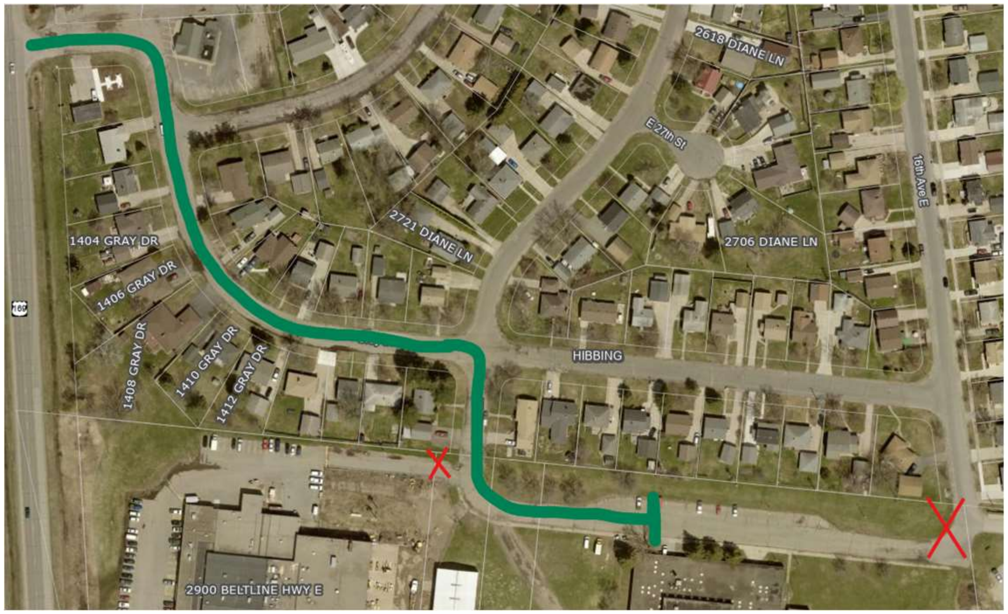
The Site in Context

Graysherwoods Apts.- tired property- limits values

Neighboring home values range from $100k- $250k



Site Access


2618 DIANE LN
E 27th St
16th Ave E
1404 GRAY DR
1406 GRAY DR
2721 DIANE LN
2706 DIANE LN
1408 GRAY DR
1410 GRAY DR
1412 GRAY DR
HIBBING
2900 BELTLINE HWY E


25th St
Merryview Ln
HIBBING
Gray Dr
Diane Ln
E 29th St
Beltline Hwy E
E Beltline

Single-Family Homes- Price Limitations

Year	Median Price	YoY Change
2020	$102,000	–
2021	$114,900	+13%
2022	$133,000	+16%
2023	$145000	+9%
2024-present	$163,750	+13%

Sources: Maxfield Research & Consulting (2023 Housing Study); Maxfield; Redfin Data Center; MN DOR ECRV.

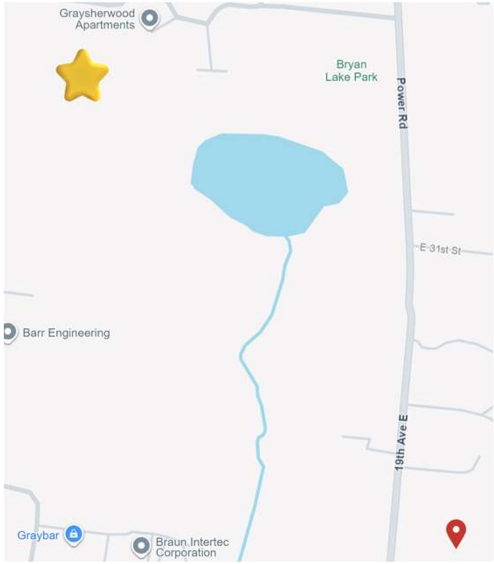
Why Traditional SF Won't Work

3402 E 19th Ave, Hibbing (sold 11/3/25)

Sale price=$165,000

3 bed, 2 bath 2,604 sf:

- $63/sf
- 2025 Taxes = $1,724
- Insurance (est.) = $1,700
- Mortgage pmt = ~$1,340

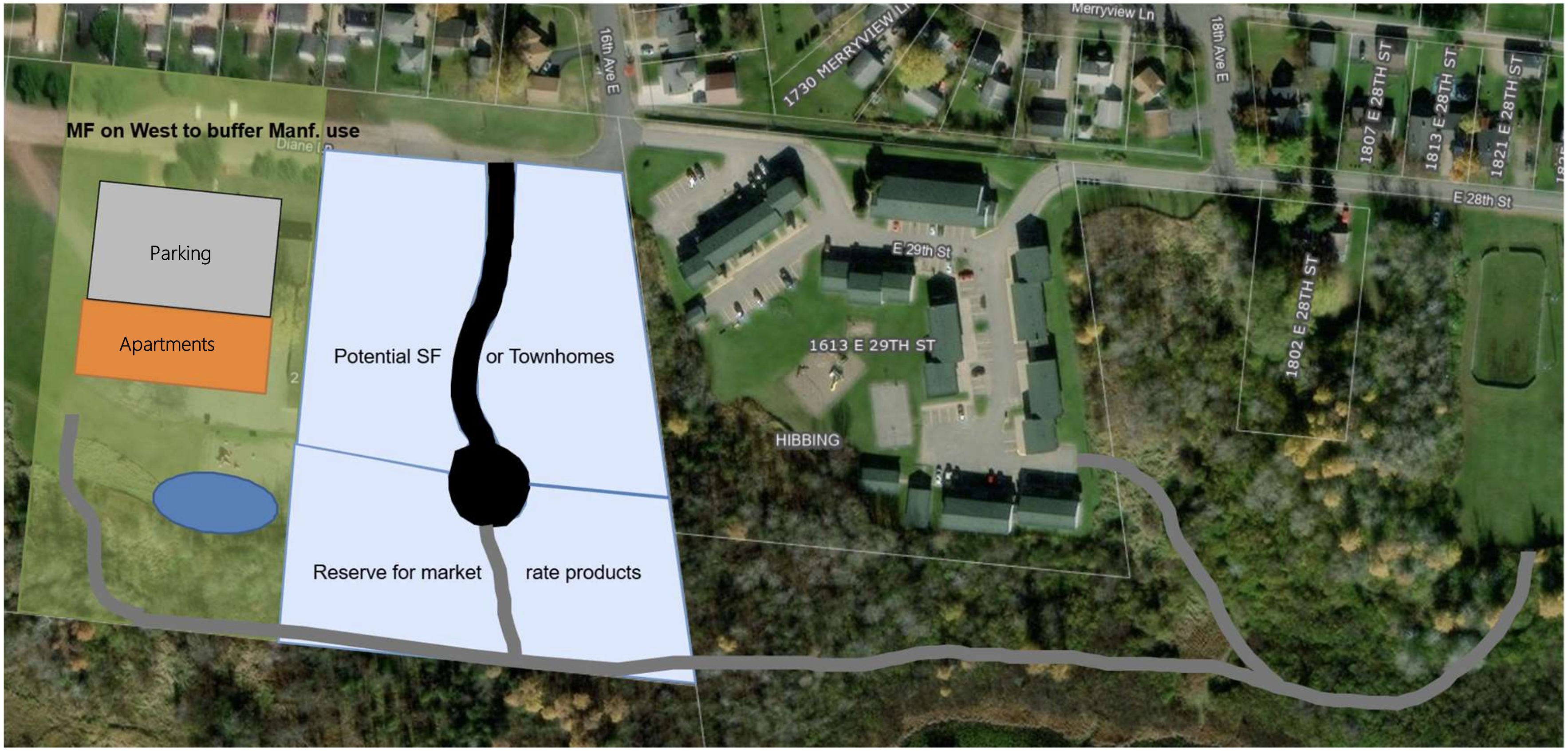


What can you build for $165,000?

$165,000 / $275 (per sf) = 600 sf.

- This does not include the cost of the land or a garage.
- This assumes utilities are available at the road.
- This assumes you could find someone to build something this small.
- This assumes the bank would lend on this house.

Scenario 1



MF on West to buffer Manf. use
Parking
Apartments
Potential SF
or Townhomes
Reserve for market
rate products
16th Ave E
1730 MERRYVIEW LN
Merryview Ln
18th Ave E
1807 E 28TH ST
1813 E 28TH ST
1821 E 28TH ST
E 28th St
E 29th St
1613 E 29TH ST
1802 E 28TH ST
HIBBING

Scenario 2

MF on West to buffer Manf. use
Diane Ln
2310 DIANE LN
Reserve for a second phase of MF
Ave E
1730 MER
18th Ave E
1807 E 28TH S
1813 E 28TH S
1821 E 28TH ST
E 28th St
E 29th St
1613 E 29TH ST
1802 E 28TH ST
HIBBING

Scenario 3

Let the development community help decide what makes sense at the site.

Require that it is broken into at least two pieces so that the site is maximized.

Allows for time to see how first phase is absorbed.

Does not pigeon-hole the City with prescriptive requests that = no interest

Recommendations

1. Rezone the property to R-4 (or equivalent).
    1. This will enable multifamily density and allow flexibility for single family as well.
2. Clarify the status of ROW easement/s.
    1. Dedicate ROW to the City if not already done.
3. Demolish the building.
    1. TIF resolution passed for Redevelopment District eligibility
4. Maintain flexibility around the types of housing products you require.
    1. Any housing here will be a win.
5. Solicit developer interest directly first.
    1. If this is not successful, issue an RFQ/P.

Questions?

NORTH SHORE

DEVELOPMENT CO.

Nationwide Specialty Contractor • Demolition | Abatement | Remediation
P.O. Box 338 • Bay City, MI 48707-0338 • ph 989.684.8411 • fax 989.684.6663 • www.doreassoc.com

City of Hibbing
400 Block Demolition Project

Pigeon Removal January 12-18, 2026	**COMPLETED
Universal Waste January 26-March 13, 2026	**will be at end of abatement
Asbestos Abatement January 26- March 13, 2026	**abatement underway; crew started with mobilization and then abatement work started 2/5/26; work at 402 building should be completed in the next week depending on approval of change order

Fence Installation/Demo mobilization
March 16-March 20, 2026
*Prism windows will also be removed during this time by the 3rd party; this will ensure safety and efficient removal while we are onsite preparing for demolition activities

Demolition of 400 Block
March 23-April 27, 2026

Debris Load-out
March 30-May 8, 2026

Backfill
May 11-June 5, 2026

Topsoil
June 1-June 26, 2026

NOTE: The 507 building will be added to the schedule, along with the wall rebuild plan, at a later date.