



**HIBBING ECONOMIC DEVELOPMENT
AUTHORITY**
Regular Meeting
Thursday, April 16, 2026
5:00 PM

President Steve Jurenes
Vice President Celia Cameron
Councilor John Schweiberger
Councilor Jennifer Hoffman Saccoman
Mayor Pete Hyduke
Member Mike Egan
Member Jim Skalski

City Administrator Greg Pruszinske
Finance Dir - Treasurer Sheena Mulner
City Attorney Andy Borland
Community Dev. Director Betsy Olivanti

Members may participate through remote technology

I. OATH OF OFFICE: MEMBER SKALSKI

II. CALL TO ORDER:

III. ADDS : I. MEMBER SKALSKI OATH OF OFFICE

IV. APPROVAL OF THE AGENDA:

V. APPROVAL OF MINUTES:

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

VI. CONSENT AGENDA:

1. Affirm the Economic Development Loan Fund account balance as of March 31, 2026 in the amount of \$1,826,141.51
2. Approve disbursements for the month of March in the amount of \$134,294.36
 1. Fund 250 (HEDA ED/Rev Ln Fd) - \$30,520.05
 2. Fund 255 (HEDA General Fd) - \$11,465.81
 3. Fund 392 (TIF#12 DS Fd) - \$0
 4. Fund 418 (Downtown Capital Prjt Fd) - \$92,308.50
 5. Fund 440 (Tax Abatement Prjt Fd) - \$0
 6. Fund 422 (Deferred Loan Fund) - \$0
 7. Fund 610 (HEDA – AMGS) - \$0
3. Set the next regular HEDA Meeting for Tuesday, May 5, 2026 at 5 p.m. in the Hibbing City Hall Council Chambers.

VII. PRESENTATIONS:

1. The Iron Exchange at 400 - Mike Kappers, Rebound
2. AMGS Loan Request - Jason Wobbema

3. Loan Subordination Request - Rich Lees

VIII. DEPARTMENT AND COMMITTEE REPORTS:

1. Community Development Director Betsy Olivanti

- a. Consider the resolution to call for a public hearing for the funding request from Rebound Partners to assist with pre-development expenses for the 400 Block Redevelopment Project.
- b. Consider the resolution to call for a public hearing for the funding request from AMGS for \$150,000 in working capital funding.
- c. Approve ECO#3 for 400 Block Demo Project and budget adjustment

2. Finance Director-Treasurer Sheena Mulner

- a. HEDA Loan Balances

3. City Attorney Andy Borland

- a. Approve the Local Housing Trust Fund Grant Agreement Template as presented.

IX. LOAN REQUESTS:

1. Consider R. Lees Loan Subordination Request

X. DISCUSSION ITEMS:

1. Jefferson School Site Redevelopment Project - how would you like to proceed?
2. 400 Block Redevelopment Project Demo Update

XI. ADJOURNMENT:

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

March 3, 2026

Meeting Information:

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

I. CALL TO ORDER: Vice President Cameron called the meeting to order at 5:01 p.m.

II. Approval of Agenda:

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.

Hyduke supported by Egan motioned to approve the agenda. Roll call vote was unanimous. Motion carried.

III. APPROVAL OF MINUTES:

Hyduke supported by Majkich Brock moved to approve the minutes of the Hibbing Economic Development Authority Meeting of Feb. 3, 2026. Roll call vote was unanimous. Motion carried.

IV. CONSENT AGENDA:

Majkich Brock supported by Egan moved to approve the consent agenda as read and published. Roll call vote was unanimous. Motion carried.

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 Council Chambers.

V. PRESENTATIONS:

LOCAL HOUSING TRUST FUND BACKGROUND - STAFF REPORT

On February 7, 2024, the Hibbing City Council adopted Ordinance No. 440, 2nd Series, creating Chapter 18 of the Hibbing City Code and formally establishing the City of Hibbing Local Housing Trust Fund (LHTF) pursuant to Minnesota Statutes §462C.16.

The purpose of the Housing Trust Fund is to create a permanent and continually renewable source of funding to meet, in part, the housing needs of Moderate, Low, and Very Low-Income households within the City of Hibbing. The ordinance authorizes the Fund to provide loans and grants for the creation of new Affordable and Workforce Housing, preservation of existing Affordable and Workforce Housing, creation of new Mixed-Income Housing, and rehabilitation of existing housing stock.

The creation of the LHTF directly advances the City’s 2023 Strategic Plan goals related to quality housing, affordability, and community stability.

WHY THE LOCAL HOUSING TRUST FUND IS ADMINISTERED BY HEDA: Chapter 18 establishes the Housing Trust Fund Account to be maintained and administered by the Hibbing Economic Development Authority (HEDA). No disbursements may be made without prior approval of the HEDA Board.

Following adoption of the ordinance, the HEDA Board formally agreed to administer all funds within the Housing Trust Fund pursuant to Chapter 18 of the Hibbing City Code.

Administration through HEDA ensures fiscal oversight, public accountability, Board approval of all funding decisions, integration with broader economic development and housing initiatives, annual priority-setting, and required reporting to the City Council.

Housing stability and workforce housing availability are directly tied to economic development, making HEDA the appropriate administering authority.

FUNDING SOURCES AND LOCAL COMMITMENT: The ordinance allows the Trust Fund to consist of multiple funding sources including budgeted payments from the HEDA levy, state and federal grants, private contributions, principal and interest from loan repayments, tax increment, and other appropriations.

The LHTF was initially seeded with \$150,000 from the HEDA levy as local match. HEDA formally committed these funds to leverage the State of Minnesota’s Local Housing Trust Fund Grant Program.

Additional actions taken include transfer of Statewide Affordable Housing Aid into the Local Housing Trust Fund, including future allocations, and authorization to apply for and accept funds from the Minnesota Housing Finance Agency.

This layered funding approach ensures the Trust Fund functions as a sustainable and renewable local housing resource leveraging outside investment.

APPROVED HOUSING PARTNERS: As outlined in the adopted Local Housing Trust Fund Process and Policy Guidelines, HEDA approved three vetted entities eligible to apply for LHTF resources:

1. Housing and Redevelopment Authority of Hibbing (HRA)
2. Arrowhead Economic Opportunity Agency (AEOA)
3. North St. Louis County Habitat for Humanity (NSLCHFH)

These organizations were written into the policy framework because they have established track records delivering housing programs in Hibbing, operate under compliance oversight, and serve distinct and complementary housing needs within the community.

HRA focuses on creation and preservation of affordable, workforce, and mixed-income housing. AEOA administers owner-occupied rehabilitation, emergency repairs, and sewer lateral programs. Habitat for Humanity constructs and rehabilitates affordable single-family homes.

The policy provides for annual review by HEDA to ensure continued alignment with program goals and accountability standards.

CONCLUSION: The Local Housing Trust Fund was established to create a permanent, renewable source of local funding dedicated to addressing housing needs in Hibbing.

The ordinance assigns administration to HEDA, and the Board formally accepted that responsibility. The Fund is supported by HEDA levy dollars, Statewide Affordable Housing Aid, and state matching funds. Implementation through three vetted housing partners ensures responsible stewardship and effective delivery of affordable housing initiatives.

The Local Housing Trust Fund positions Hibbing to proactively address housing supply, affordability, and rehabilitation needs in a structured, accountable, and strategic manner.

1. Local Housing Trust Fund Application for Owner Occupied Rehab Project – Beth Davies, AEOA

This application for funding creates an owner-occupied rehabilitation loan and grant program for residents of Hibbing. Helps to fill in the gaps within the existing funding available and serves those most in need. It will help to preserve our housing stock and stabilize our property tax base. It makes available deferred loans for home energy improvements and sewer lateral repairs. Loans are secured by a mortgage lien, there's no monthly payments, and the loan is forgiven if the borrower continues to own and occupy the home as a principal residence through the five-year term. Any repayment will revolve back into the loan program for reuse. Grants of up to \$1,000 will be available for home emergency home repairs. AEOA administers all aspects of the loan and grant program -- from application to remitting payment directly to contractors upon completion of work -- in addition to servicing the loans by executing satisfactions and providing payoffs as needed upon approval. Program information will be posted on AEOA's website and applications will be available with funding provided on a first- come, first- served basis. This is modeled after programs available in Lake County as well as St Louis County things that aren't available here in our community.

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

In Hibbing, 39 families have built and bought an affordable house here – that includes 31 new construction homes within the City of Hibbing, six recycled and two rehabbed properties. Habitat for Humanity works with families in need of housing that make no more than 60 % of the area median income and would have a hard time becoming a homeowner. We look at their ability to pay so that they would be successful in repaying a mortgage on the property so that we can recoup those funds to build more homes in the community. We also look at their credit to see if they're going to be responsible and be able to make their mortgage payments and that they have a stable income of at least \$30,000 a year. Lastly, we also have a requirement for sweat equity and

have them attend monthly homeownership classes. This year we're looking at adding two more homes in Hibbing. Being able to receive some funding from this effort here would definitely help us be able to continue to do that.

A Habitat house built by a contractor would most likely be somewhere close to \$300,000. Habitat homes right now are appraising for about \$200,00. Would the funds from the local housing trust fund deduct from the home buyer's mortgage? The answer to that is no. We do not use CDBG funds, for the majority of our loans we at North St. Louis County Habitat for Humanity become the bank. We originate those first mortgage loans to the home buyers. They're typically at 0% for about 25 to 30 years would be the term.

3. HEDA Loan Request - Korey Dropkin of Granite Homes LLC

Purchased a four-plex, refinished and flipped into a six-plex. We serve young families, young individuals searching for independence and traveling workers. Moisture problems have been occurring due to a lack of ventilation in the attic space for years. Because of this, and through the climate, of course, all the insulation in the attic ended up becoming completely saturated and over years and now shows through the ceilings, causing water and mold to spread throughout a couple of the units. One unit is now uninhabitable and has been gutted. Two other units that are starting to show. We're trying to remediate this and mitigate the situation. We discovered previous renovations, during which cavities were created that also have moisture problems. We've done brace work to the roof line, and now we're looking for financial support. Cost is about \$108,000 to complete a full renovation. Also working with Frandsen Bank. Goal is to fix the moisture problems, re-roof, new sheet rocking and flooring, and more. He confirmed that all bids were from contractors.

VII. LOCAL HOUSING TRUST FUND REQUESTS:

1. Consider application from AEOA for owner occupied rehabilitation program. - \$75,000

Hyduke supported by Egan motioned to approve the application for AEOA in the amount of \$75,000. Funds shall be disbursed upon approval by the HEDA board, a signed grant agreement, and AEOA 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. Roll call vote was unanimous. Motion carried.

2. Consider application from North St. Louis County Habitat for Humanity new construction project. - \$60,000

Egan supported by Hoffman Saccoman motioned to approve the request of NSLCHFH for \$60,000. 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. Roll call vote was unanimous, Motion carried.

VIII. LOAN REQUESTS:

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

Egan supported by Hoffman Saccoman motioned to approve the loan request for \$36,231 for rehabilitation necessary to restore structural integrity and habitability of a six-unit residential unit property at 2316 Second Avenue West. In addition to the loan, the \$108,694 funding structure includes a Frandsen Bank primary loan, a IRRRB BER grant and owner equity. Roll call vote was unanimous. Motion carried.

IX. VII. DEPARTMENT AND COMMITTEE REPORTS:

1. Community Development Director Betsy Olivanti

- A. Approve 400 Block Demolition change order and establish contingency budget.

Hyduke supported by Majkich Brock motioned to approve a 5 % contingency at \$35,000 and approval of change order No. 2 (removal of additional asbestos, floor tile and pipe insulation) in the amount of \$16,240. Change order also adds 14 days to original contract completion (now at 194 days). Roll call was unanimous. Motion carried.

Members asked who performed the initial report (identified as NTS) and asked that their displeasure is voiced to the firm.

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

The city of Hibbing and HEDA intend to create a tax increment financing district for the 400 block of Howard Street to be designated as a redevelopment district defined in Minnesota state statutes. Rebound is to put together the financials and apply for funding from the IRRR. As the city/EDA, we need to be the intermediary between the IRRR and Rebound. We will not have the full TIF district and TIF funds and all of that associated financing information together in time to fully pass the TIF district prior to a review by the IRRR board prior to their May meeting. So, the IRRR is asking for the EDA and council to be on board before they start to review the preliminary financials of this project.

Hyduke supported by Majkich Brock motioned to adopt the resolution. Roll call vote was unanimous. Motion carried.

C. Approve Revised HEDA Loan Application

Majkich Brock supported by Egan motioned to approve the revised HEDA Loan Application. Roll call vote was unanimous. Motion carried.

D. Approve revised HEDA Deferred Loan Program Guidelines

Hyduke supported by Egan motioned to approve the revised HEDA Deferred Loan Program Guidelines. Roll call vote was unanimous. Motion carried.

2. Finance Director-Treasurer Sheena Mulner

A. HEDA Loan Balances Updates:

Iron Range Management property – most of the engineering is completed and he’s looking to start demolition and construction at about the same time in March. He’s waiting for his building permit review to happen.

Yoder Building Supplies did an additional draw, bringing the total draws to date to \$179,027.21

Bujalna Investments is waiting for the final source of financing because we approved that contingent upon him, securing all of his financing sources.

Our cash balance has increased because we paid back our interfund loan from the fund 610, where we did the AMGS building at the last meeting.

We do have the remaining commitments for the Iron Range Management properties, the rest of Yoder’s loan, and then Bujalna Investments provided he gets his final financing secured, which would give us an available to lend balance of \$1.4 million.

Fund 420 HEDA storefront rental fund about \$218,988.97 available to lend.

Deferred loan program: \$0

3. City Attorney Andy Borland

Moxie is set for a scheduling conference on that collection matter for March 9.

Judge recused herself on the Arrowhead Motorcycle matter, so that hearing got pushed back to April 30 for a default hearing to obtain judgment.

X. DISCUSSION ITEMS:

1. Jefferson Redevelopment Project - Northshore Development Co.

Jason Hale presented the findings, scenarios and recommendations for the property, including a project recap, city project outline, the site in context, site access, single-family home price limitations and why that won't work, and provided three alternative scenarios. Recommendations are:

- Rezone property to R-4.
- Clarify status of ROW easement/s
- Demolish the building
- Maintain flexibility around the types of housing products we require
- Solicit developer interest directly first

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

Update to the timeframe: fence installation and demo mobilization will start that last week in March, first week in April. Dore Associates is working with the individual who wanted to secure the prism windows. Then the debris loadout starts and continues through the end of May. Then backfill is in there and topsoil. The 507 building is the item that has not been added to this schedule, but Dore & Associates will provide that schedule at the April meeting, including that change order and the 507 building added.

Also been working with Rebound on financials. Met with our municipal advisor from Baker Tilly and are working through the drafted pro forma, the narrative for the project and their sources and uses. We have requested some additional input from Rebound. They're doing some value engineering to get a project that suits the site and is financially feasible. They're doing a lot of work with Max Gray (construction manager at risk) and working to achieve a guaranteed maximum price or a GMP. Both the architect and developer will back here in April presenting to you with the narrative, what the look and feel like is, et cetera. They will also be presenting to Heritage Preservation Commission and Planning Commission on March 16 to determine what exactly what external elements of the building will be permissible in the historic downtown district.

VII. ADJOURNMENT:

There being no further items on the agenda, a motion was made by Hyduke and supported by Majkich Brock to adjourn the meeting at 6:19 p.m. Roll call vote was unanimous 4-0. Hoffman Saccoman was no longer present. Motion carried.

President Steve Jurenes

Community Development Dir. Betsy Olivanti

IRON EXCHANGE AT 400 · 400 Block East Howard Street, Hibbing, MN

PREDEVELOPMENT COST REQUEST · Submitted to HEDA & IRRRB · April 2026

Developer:	Rebound Partners
Project:	Iron Exchange at 400 – 56-Unit Mixed-Use Workforce Housing
Location:	400 Block East Howard Street, Hibbing, MN 55746
Architect:	Architecture Advantage (Shane Nies)
Funding Request To:	HEDA (Hibbing Economic Development Authority) & IRRRB
Purpose:	Design, Architecture, Engineering & Predevelopment Management
Request Date:	April 2026

MONTHLY PREDEVELOPMENT DRAW SCHEDULE | April – December 2026

Cost Category	Apr 2026	May 2026	Jun 2026	Jul 2026	Aug 2026	Sep 2026	Oct 2026	Nov 2026	Dec 2026	TOTAL
Architecture & Schematic Design	\$70,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$166,000
Predevelopment Management	\$30,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$110,000
TOTAL MONTHLY DRAW	\$100,000	\$22,000	\$22,000	\$22,000	\$22,000	\$22,000	\$22,000	\$22,000	\$22,000	\$276,000

CUMULATIVE DRAW | Running Total

Cumulative Total Drawn	\$100,000	\$122,000	\$144,000	\$166,000	\$188,000	\$210,000	\$232,000	\$254,000	\$276,000	\$276,000
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KEY ASSUMPTIONS & CONTEXT FOR HEDA / IRRRB REVIEW

Building Program:	Current Assumptions: 4 story, 56-unit mixed-use building 6 alcove studios (550 SF) · 32 one-bedrooms (650 SF) · 18 compact two-bedrooms (880 SF) ~78,500 GSF 27 at-grade inside + 37 outside surface parking stalls
Commercial Component:	~2,500 SF anchor tenant (brewery/restaurant target) + private office suites + shared conference + fitness room on Floor 1
Project Partners:	Rebound Partners (developer) · Architecture Advantage (architect) · HEDA (Hibbing Economic Development Authority)
Capital Stack (Projected):	~45% Senior Debt · ~35% Gap Funding (IRRRB, MHFA WHDP, Northland Foundation, GMHF) · ~20% Equity TIF commitment amount pending
Key Milestones:	HEDA Submission: Apr 14, 2026 · Developer Agreement Review: July 2026 · Financing Close: Dec 2026 · Groundbreaking: Spring 2027 · Opening: Summer 2028
Prevailing Wage:	Minnesota prevailing wage (St. Louis County / Iron Range) applies given public financing sources (TIF, HEDA/EDA, MHFA, IRRRB) — reflected in all contractor bids
Purpose of This Request:	Predevelopment costs are necessary to advance the project to a construction-ready state; funds will be drawn monthly April–December 2026 to cover design, engineering, and project management

Rebound Partners · Iron Exchange at 400 · Prepared April 2026 · Contact: Dan Gatchell / Mike Kappers, Rebound Partners



Rebound Partners

INVESTMENTS • MANAGEMENT

THE IRON EXCHANGE AT 400 BLOCK

HIBBING, MINN

HEDA BOARD PRESENTATION
APRIL 16TH , 2026



TODAY'S CONVERSATION

- 1. Opening Comments and Remarks
- 2. Impact Investing
- 3. 400 Block Project
- 4. Development Timeline to Date
- 5. Underwriting - Sources & Uses
- 6. Current Challenges
- 7. Path Forward
- 8. HEDA Predevelopment Funding Request
- 9. Rebound Experience
- 10. Thank You!!**



Rebound Partners
INVESTMENTS • MANAGEMENT



IMPACT INVESTING



Impact Investing

Community Return

- Stimulate economic activity, synergistic development and job creation
- Increase and enhance supply of housing, lodging and retail
- Retain & attract businesses to community
- Vitalize community development
- Support community needs

Investor Return

- Attractive and stable income return
- Build equity
- Inflation hedge
- Diversify investment portfolio
- Tax benefits (depreciation deduction)

HISTORY OF 400 BLOCK

Original Block

- Original buildings date back to the early 1920's.
- Decades of decline, went vacant following an owner bankruptcy in 2013.



Fire & Destruction

- On August 16, 2016, a fire broke out at the Brickyard Building



Existing Block

- The 400 Block on East Howard Street now owned & controlled by the Hibbing Economic Development Authority (HEDA)
- The site is designated planned redevelopment



Re-Birth

- The project will include:
 - 2,500 square feet of retail
 - 27 covered parking stalls
 - 48 surface parking spaces
 - 60-80 market-rate units



PROGRESS ON HOWARD STREET

- Environmental abatement completed
 - Fencing around demolition site
 - Momentum building in downtown
 - Development continues; Construction in Spring:
 - Housing
 - Commercial
 - Parking
- Outcome = reenergize downtown



Rebound Partners
INVESTMENTS • MANAGEMENT



PROPOSED PROJECT- IRON EXCHANGE AT 400



CURRENT PROJECT OVERVIEW



4th Revision
60-80

Residential Units

- Four Stories - 60 units
- Five Stories - 80 units

20 Units Per Floor

Unit Mix:

- Studio - 10%
- One Bedroom - 55%
- Two Bedroom/1Bath 8%
- Two Bedroom/2Bath 22%

2,500 SF

Commercial Space
Restaurant - Retail -
Office

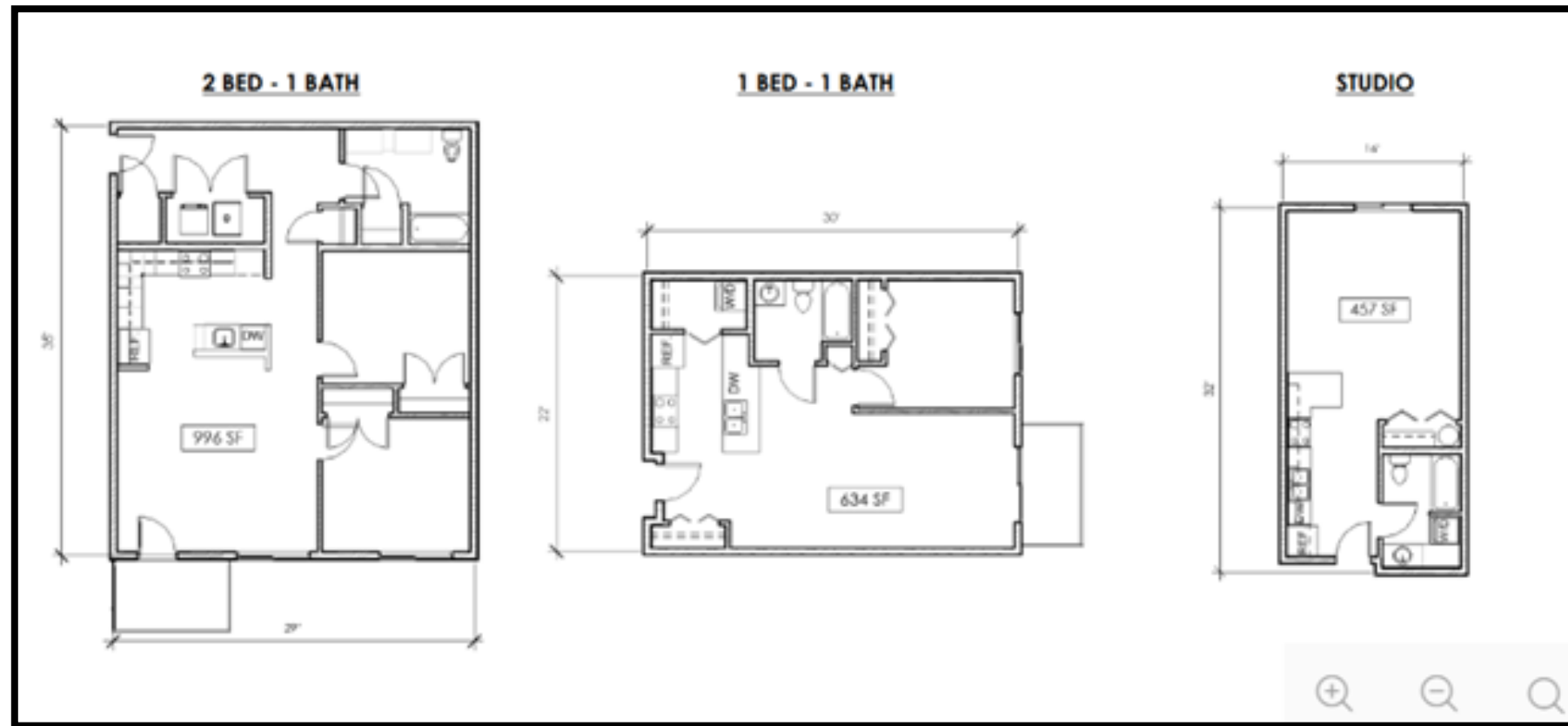
27

Covered Parking
Stalls
At-Grade/ First Floor
46 Surface Spaces

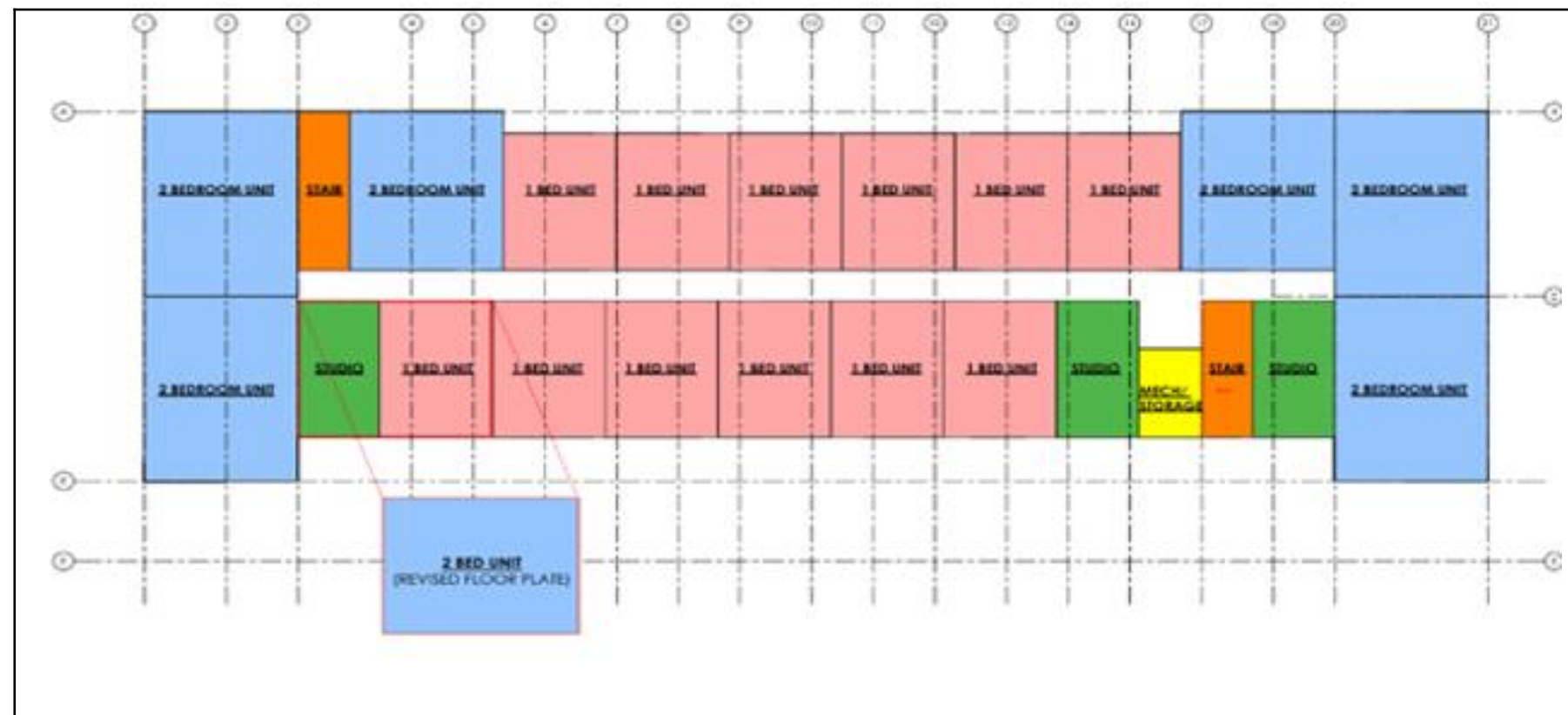
About This Project

- 400 Block owned by HEDA (Hibbing Economic Development Authority)
 - 0.77 Acres
- Mixed-use market rate/workforce housing development, commercial space, covered & surface parking
- Rebound Partners chosen as developer of the site in August 2025
- City of Hibbing and Rebound Partners entered into a predevelopment agreement dated August 11th

UPDATED UNIT MIX (4TH REVISION) APRIL 16TH

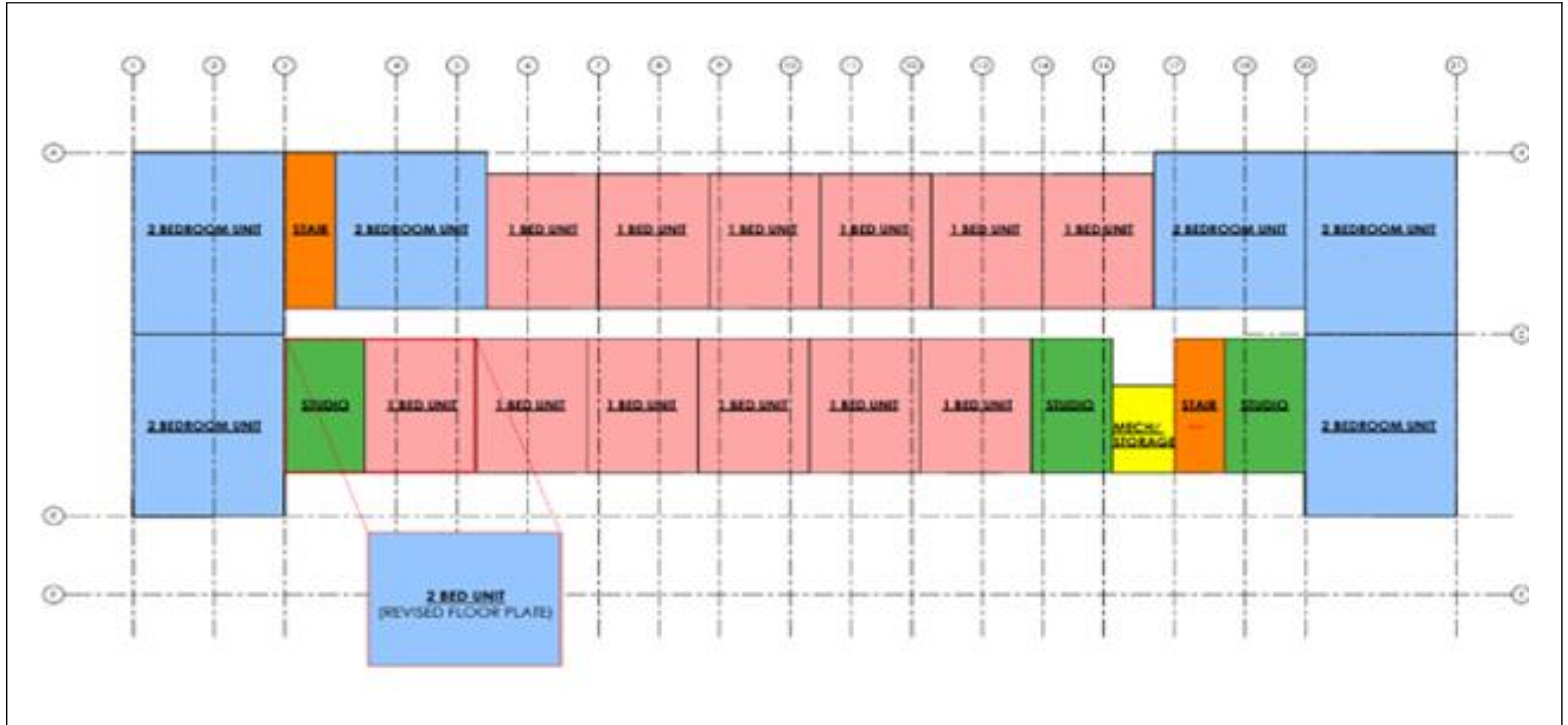


Unit Type	Count	Mix%	Avg SF	Rent
Studio	8	10%	457	\$1,150
1 Bed/1Bath	44	55%	634	\$1,400
2 Bed/1 Bath	8	8%	960	\$1,600
2 Bed/2 Bath	20	22%	1,065	\$1,675
TOTAL / AVG	80	100%	713 avg	\$1,454 avg



- 20 units/floor (7 two-bed · 11 one-bed · 2 studios)
- Parking: 73 total (27 covered + 46 surface)
- Unit mix update: Add 2 bed / 1 bath units

FLOOR PLAN - 2ND, 3RD, AND 4TH (4TH REVISION)



DEVELOPMENT TIMELINE TO DATE

July 2025 - April 2026

July 29, 2025

- Rebound Partners presented to HEDA

August 2025

- Selected as developer (\$24.3M, 56 Units)
- Architect engaged

August 11, 2025

- Predevelopment agreement executed

Nov 2025

- General contractor selected

December 2025 - February 2026

- Worked on plans/schematic design completed
- \$34M project – 71 residential units + commercial
- Included underground and surface parking

March 11, 2026

- Project Revision 3 finalized (\$20.9M)
- 48 residential units + 4,400 SF commercial
- No underground parking
- 27 first floor stalls + surface parking

March 25, 2026

- IRRRB Presentation - Hibbing

April 2026

- Project Revision 4 in progress
- Demolition started

April 9, 2026

- Architect releases revised unit layout

April 16, 2026

- HEDA Board Presentation Revision 4 shared today

Next Steps

- Design concepts updated/ Schematic pricing from contractors

SOURCES AND USES:

	July 2025		Jan. 2026		March 2026		Target	
Uses		%		%		%		%
Land Purchase	\$1		\$1		\$1		\$1	
Hard Costs			\$24,655,600	75%	\$21,115,000	85%	\$20,000,113	85%
Soft Costs			\$8,411,223	25%	\$3,710,028	15%	\$3,640,621	15%
Total	\$24,367,500	100%	\$33,066,824	100%	\$24,825,029	100%	\$23,640,735	100%
Sources		%		%		%		%
Senior Loan	\$10,965,375	45%	\$16,533,412	50%	\$11,171,263	45%	\$13,002,404	55%
Gap Financing	\$8,528,625	35%	\$8,203,411	25%	\$9,000,000	36%	\$6,000,000	25%
Equity	\$4,873,500	20%	\$8,330,001	25%	\$4,653,766	19%	\$4,640,735	20%
Total	\$24,367,500	100%	\$33,066,824	100%	\$24,825,029	100%	\$23,640,735	100%
Residential Unit #	56		60		48		80	

Successful Business Model: Community Impact, Cash Flow, and Return

CURRENT PROJECT CHALLENGES & CONSTRAINTS

1. Develop a business model that works

2. Refine the uses of the space

3. Construction costs

- Hibbing/Iron Range vs. Southern Minnesota
 - **Difference:** \$77/SF (43.5% Increase in Cost)

4. Apartment rental rates

- Hibbing/Iron Range vs. Southern Minnesota
 - **Difference:** 22% - 33% in rental rates

5. Fill the Gap

6. Adequate investor return



REBOUND PARTNERS HISTORICAL PROJECT COST

Rebound Project Cost/SF:

Kraewood Flats (Northfield) - \$173.58/SF

Ascend (Owatonna) - \$181.82 Price/SF

5th Street Lofts (Northfield) - \$175.65/SF

Cost Per SF Summary:

Range: \$173.58/SF - \$181.82/SF

Average: \$177/SF

Previous Bid Iron Exchange at 400: \$254/SF

Difference: \$77/SF (43.5% Increase in Cost)



5th Street Lofts - Northfield, Minnesota

REBOUND PARTNERS HISTORICAL RENT RATES

Southern Minnesota Rent Rates:

5th Street Lofts (Northfield) - \$1,500 - \$2,500

Ascend (Owatonna) - \$1,450 - \$2,425

Hibbing/Iron Range Rent Rates:

Iron Exchange (Hibbing) - \$1,150 - \$1,675

Rent Difference: Hibbing is 22% lower on 1BR & 33% lower on 2BR



Ascend – Owatonna, Minnesota

EQUITY PLAN



Projected Equity: \$4.6M REVocity Raising Equity

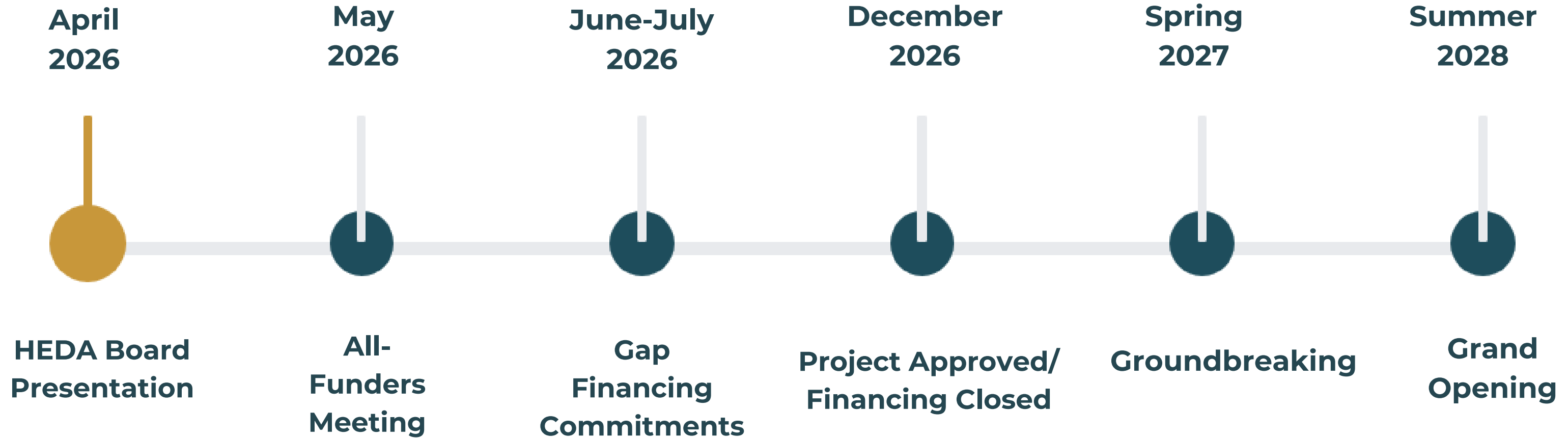
Sources of Equity:

- Rebound Partners
 - Individuals
 - Companies
 - Non-profits with investment portfolios
-
- Equity raise will begin when the business model works and the underwriting shows adequate market return.



TIMELINE MOVING FORWARD

THE IRON EXCHANGE AT 400



Lock Proforma

TIF + predevelopment funds confirmed

Capital Stack Closed

All gap sources committed and financing secured

Spring 2027 Construction

Building Completion Summer 2028

HEDA PREDEVELOPMENT FUNDING REQUEST

TOTAL PREDEVELOPMENT REQUEST: \$276,000 | April – December 2026 | Architecture & Schematic Design + Predevelopment Management

Category	Apr 2026	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec 2026	TOTAL
Architecture & Design	\$70,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$166,000
Predevelopment Mgmt	\$30,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$110,000
TOTAL MONTHLY DRAW	\$100,000	\$22,000	\$22,000	\$22,000	\$22,000	\$22,000	\$22,000	\$22,000	\$22,000	\$276,000
<i>CUMULATIVE DRAW</i>	<i>\$100,000</i>	<i>\$122,000</i>	<i>\$144,000</i>	<i>\$166,000</i>	<i>\$188,000</i>	<i>\$210,000</i>	<i>\$232,000</i>	<i>\$254,000</i>	<i>\$276,000</i>	<i>\$276,000</i>

Milestone Controls:


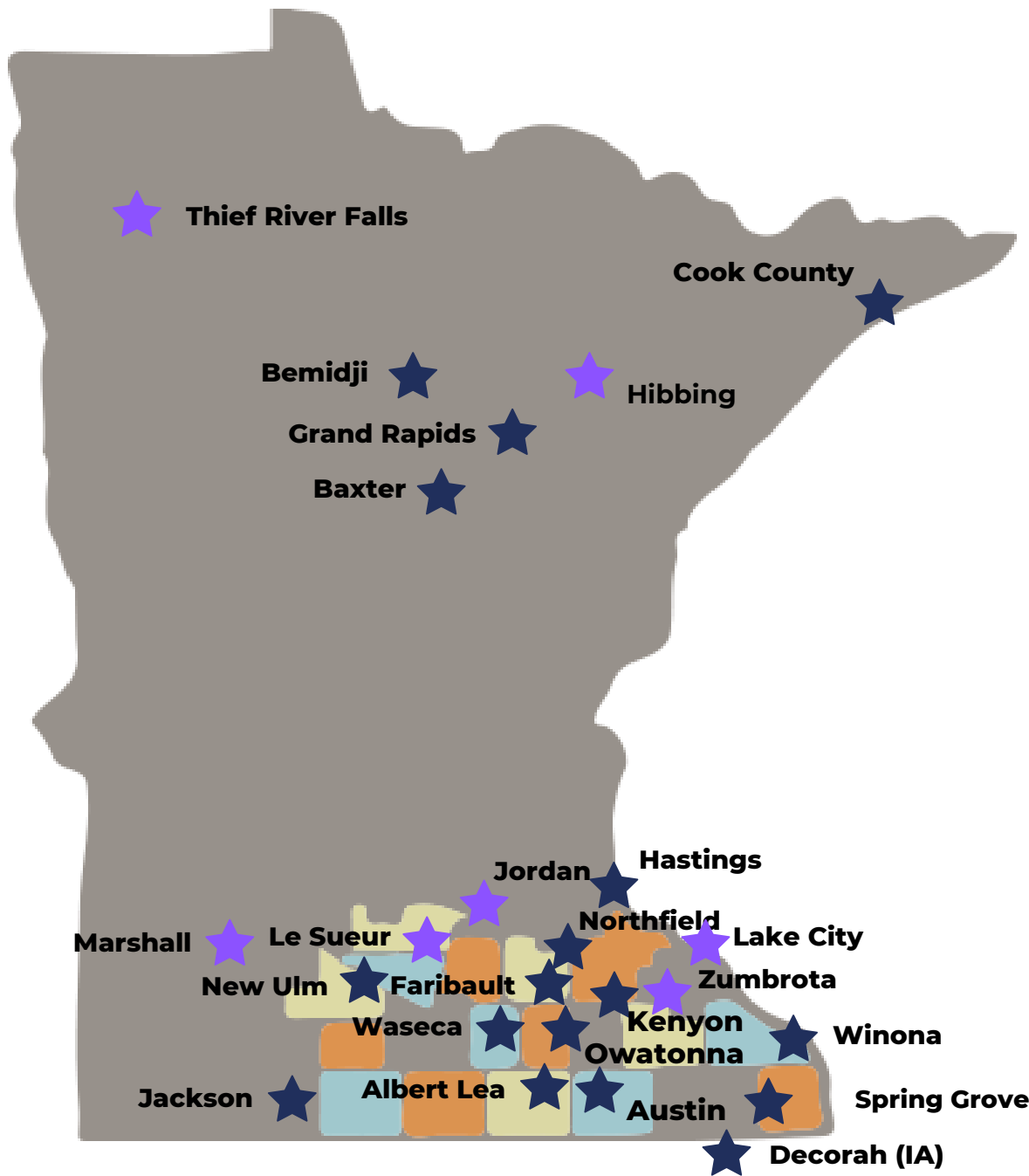
- Monthly draws are contingent on milestone completion.
- HEDA retains full approval control at each stage.
- Draws can be paused if project milestones are not met.
- Funds will be applied at closing of the project.



REBOUND COMMUNITY MAP & STATUS


17+ ACTIVE FUNDS & PROJECTS

- Northfield Fund II & III
- Winona
- Owatonna
- Spring Grove
- Faribault
- Albert Lea
- Austin
- Kenyon
- New Ulm
- Grand Rapids
- Decorah
- Cook County
- Hastings
- Jackson
- Baxter
- Bemidji
- Waseca

8+ PIPELINE PROJECTS & COMMUNITY FUNDS

- Bemidji
- Hibbing
- Thief River Falls
- Marshall
- Le Sueur
- Zumbrota
- Jordan
- Lake City



20+ COMMUNITIES ENGAGED



\$40M+ EQUITY RAISED

40+ PROPERTIES OWNED

50+ LOCAL GENERAL PARTNERS

400+ LIMITED PARTNER INVESTORS

REBOUND REAL ESTATE PROJECT EXPERIENCE



Historic Renovations



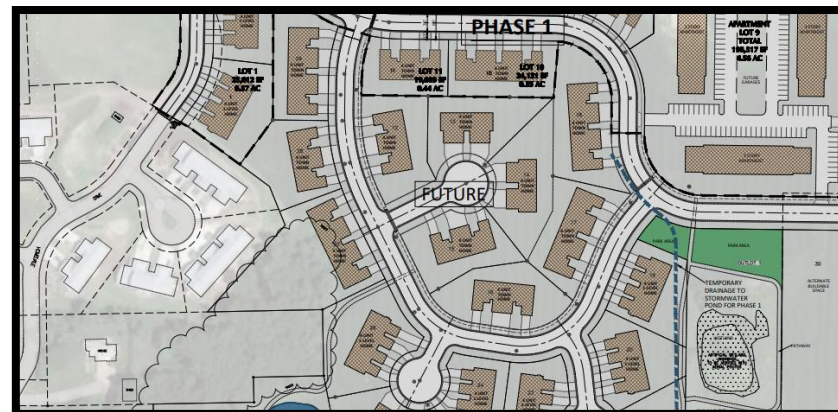
Downtown Apartments



Retail Development



Mixed-Use Renovation



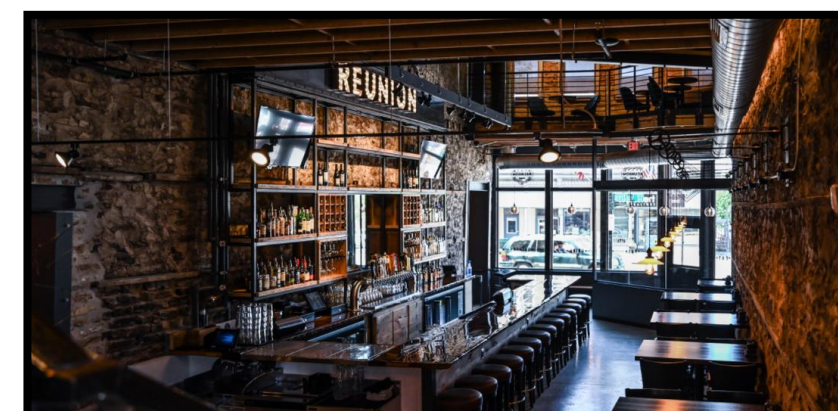
Residential & Commercial Development



Branded & Boutique Hotels



Downtown Renovations



Food & Beverage



Commercial & Industrial

ASCEND - OWATONNA

Ascend - Mixed-Use, Owatonna, Minnesota

Status	Opened January 2025
Location	Downtown (<i>one block from main street</i>)
Type	Mixed-Use
Building Size	124,000 Square Feet
Apartments	69 Apartments
Parking	59 Underground + 122 Exterior
Olmsted Medical	22,600 Square Feet
MSB (Brewery)	8,340 Square Feet
Development Cost	\$27.5M
Size	2.56 Acres
Rent Range	\$1,450 - \$2,425



NORTH COUNTRY - THE HEIGHTS - GRAND MARAIS

The Heights: Phase 1 Development Overview

- 36-Unit Apartment Development
 - 9 studios, 18 one-bedroom, 9 two-bedroom units
 - 18 affordable units (based on area median income)
 - 18 market rate rentals
 - Rent Range: \$1,334 - \$1,770

Projected Total Development Cost: \$9.1M

- Senior Loan: \$4M from Members Cooperative Credit Union (MCCU)
- Subordinated Loans & Gap Funding: \$2.2M (12 sources)
- Cook County Fund Equity: \$2.9M
 - Fund 100% equity owner -majority local investors

62+ sources (investors, banks, and financing & gap funding partners) collaborated to get project completed!



THANK YOU

Questions, Comments and Feedback
Next Steps

Contact Information:

Mike Kappers
Project Manager
mkappers@reboundpartners.com
(715) 781 - 1189

Brett Reese
Managing Partner
breese@reboundpartners.com
(952) 200 - 1740



To The HEDA Board Members:

Advanced Machine Guarding Solutions is asking for a \$150,000 bridge loan while we review selling shares of our company to a few different options to raise capital to grow our business. We foresee that we should be able to pay back this loan within 3-4 months.

We unfortunately couldn't predict what damage the tariffs would do to our industry that were put in place in the spring of 2025. From September 2025 till March 2026 we had lost about 50% revenue due to our customers slowing down. Both Matt and I couldn't change what was happening because we had to get all the equipment working by the fall of 2025.

As of the first of the year our focus has been back to sales and growing the business. Now the tariffs are working in our favor and we have been able to grow our customer list as our industry is still recovering from the lack of capital spent in the 2025 and 2026.

During this downturn our management team has cut our pay by more than 40% to make sure we didn't lay off any of the key employees. This loan will be used as working capital to ensure we can survive the next three months as we figure out how to bring in a larger working capital needs to grow our business.

We currently have been on interest only for our new equipment loans with Park State Bank, DEED, and IRRR which has helped us survive the last 3 months.

Thanks,

Jason Wobbema
President
218-994-9124

Loan Application for Hibbing Economic Development Authority

Business Name: Advanced Machine Guarding Solutions

Business Address: 1122 E 13th St Hibbing MN 55746
Street City State Zip Code

Business Phone: 218-994-9124

Name of Principal No. 1: <u>Jason Wobbema</u>	Name of Principal No. 2: _____
Home Address: <u>704 10th St. N</u> <u>Virginia, MN 55792</u> <u>Street</u>	Home Address: _____
<u>City</u> <u>State</u> <u>Zip Code</u>	<u>City</u> <u>State</u> <u>Zip Code</u>
Home Phone: <u>218-994-9124</u>	Home Phone: _____

S-Corp

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

Date Established: 01-01-2021

Amount of financing request from Hibbing Economic Development Authority: \$150,000

Total Project Costs: \$150,000

Signatures: (Must be signed by all parties having 20% or more ownership in the business)

I declare that any statement in this application, or information provided herein, is true and complete to the best of my knowledge and hereby acknowledge that I have read and understand the following statement:

“The State of Minnesota and its agents have the right to verify information provided in this application. False information, in addition to disqualifying the applicant from any further consideration for financial assistance, may also subject the applicant to the penalty provision of Minnesota Statute §609.645.”

Name: Jason Wobbema Title: President Date: 3-23-26

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

For more information or help please call:
1-218-312-1579

Job Creation

	Full Time	Part Time	Total Full Time Equivalent*
Number of Existing Employees	<u>22</u>	_____	<u>22</u>
Number of New Jobs Created	<u>2</u>	_____	<u>2</u>

*Full time equivalent (FTE) is defined as the number of hours worked by all full-and part-time employees divided by 2,080 (the number of hours in a typical work year: 52 weeks X 40 hours).

Project Cost and Request Summary

Sources		Uses	
Owners Equity	_____	Land	_____
Loan 1	_____	Building	_____
Loan 2	_____	Equipment	_____
Loan 3	_____	Inventory	_____
Line of Credit	_____	Start-Up Costs	_____
	_____	Goodwill	_____
	_____	Refinance	_____
TOTAL	_____	Working Capital	<u>150000</u>
		TOTAL	<u>150000</u>

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

	Lending Institution	Interest Rate	Loan Term	Secured? (Y/N)
Loan 1				
Loan 2				
Loan 3				

List of collateral and estimated values:

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

LEES RENTAL & COMMERCIAL DEVELOPMENT
1810 EAST THIRD AVE
HIBBING MN 55746
218-262-2860
218-263-8960 (FAX)

APRIL 9, 2026

TO: THE HEDA BOARD

RE: LOAN SUBORDINATIONS

WE ARE REQUESTING APPROVAL ON A COUPLE OF DIFFERENT LOAN SUBORDINATIONS.

WE HAVE A HAND FULL OF LOANS THAT ARE ON A 5 YEAR RENEWAL WITH OUR BANKS, AND HAVE COME DUE.

THE FIRST ONE IS 3923 1ST AVE. THE SECOND ONE IS A FORGIVABLE ON 301 E HOWARD.

THESE WILL BE COMBINED WITH OTHER PROPERTIES ON A LOAN FOR ABOUT 6.5 MILLION.

THE THIRD ONE IS 101 E HOWARD. THIS WILL BE COMBINED WITH A DIFFERENT HANDFUL OF PROPERTIES ON A LOAN OF ABOUT 6.4 MILLION.

SEVERAL OF OUR OTHER LOANS WITH YOU WITH SMALLER BALANCES WILL BE PAID OFF THIS GO ROUND AS WELL

.we are consolidating the number of banks that we deal with,loan number 1 that has 3923 and 301 are currently at bell bank , these will be moved to old national bank with a total senior loan amount of 6.5 million. 101 east howard is currently with grand rapids state bank, and is being moved to national bank of commerce along with 10 other properties as we close out our relationship with grand rapids state bank. the total senior note will be 6.4 million.

THANKS FOR YOUR CONSIDERATION.



RICH LEES
218-969-1586

At a regular meeting of the Board of Commissioners of the HIBBING ECONOMIC DEVELOPMENT AUTHORITY held April 16, 2026, at 5:00 P.M., Member _____ offered the following Resolution and moved its adoption:

RESOLUTION NO. 26-04-_____

RESOLUTION CALLING FOR A PUBLIC HEARING ON THE APPLICATION
OF REBOUND PARTNERS LLC FOR A BUSINESS SUBSIDY
FROM THE HIBBING ECONOMIC DEVELOPMENT AUTHORITY

WHEREAS, Rebound Partners LLC has applied for a business subsidy from the Hibbing Economic Development Authority. Rebound Partners is developing the 400 Block of Howard Street and is seeking assistance from HEDA with some of the predevelopment expenses. Said funds sought from HEDA total \$276,000; and,

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

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

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

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

FOR ADOPTION:

AGAINST ADOPTION:

ABSTAIN:

ABSENT:

Passed and adopted this 16th day of April, 2026.

I CERTIFY THAT the above Resolution was adopted by the Hibbing Economic Development Authority on April 16, 2026.

HIBBING ECONOMIC DEVELOPMENT AUTHORITY

By _____
Steve Jurenes
President

ATTEST:

CERTIFICATION

I hereby certify that the foregoing Resolution is a true and correct copy of the Resolution adopted and passed by the Hibbing Economic Development Authority at its regular meeting held Thursday, April 16, 2026.

Candie Seppala
City Clerk

BUSINESS SUBSIDY AGREEMENT

This Business Subsidy Agreement (the “**Agreement**”) is made effective as of _____ (“**Effective Date**”), by and between **Rebound Partners LLC, a Minnesota limited liability company (hereinafter Rebound)**, having a principal place of business at 527 Professional Drive, Suite 100, Northfield, Minnesota 55057, United States, and the **Hibbing Economic Development Authority**, an economic development authority existing under the laws of the State of Minnesota, having its principal address at 401 East 21st Street, Hibbing Minnesota 55746, United States (**hereinafter “HEDA”**).

WHEREAS, Rebound is seeking to develop the property of the 400 block of Howard Street in Hibbing, Minnesota; and,

WHEREAS, It is the hope that Rebound may have the building completed by the summer of 2028; and,

WHEREAS, Rebound is seeking funds from HEDA to help defray initial redevelopment expenses; and,

WHEREAS, Rebound has committed itself to this redevelopment but to complete the development, Rebound needs substantial help with predevelopment expenses and above what it currently has available; and,

WHEREAS, Rebound has represented that its completion of the new facility will substantially increase the tax base for the City of Hibbing and shall see to new jobs plus potentially Rebound estimates a substantial number of new construction jobs will also be created; and,

WHEREAS, Rebound seeks financial assistance from HEDA , IRRR for an amount that has yet to be determined; and,

WHEREAS, Rebound is seeking financial assistance (the business subsidy) through Grantor (HEDA) as follows:

- HEDA Loan for \$276,000.

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

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

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

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

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

- 1) That Rebound and HEDA will enter into this Business Subsidy Agreement in the amount of \$276,000.00.
- 2) That this loan meets the criteria of a public purpose in that it will provide for the increase in the tax base to the City of Hibbing and will retain all permanent positions and will create construction positions during the redevelopment process.
- 3) That Rebound shall be obligated to repay all of the business loans it is receiving that are a part of this Business Subsidy per the terms as set forth by the HEDA Board. Said business loan will include at minimum a note as well as Rebound signing up for ACH payments and personal guarantees executed by owners of Rebound.
- 4) That the parties agree that said subsidy is needed to help Rebound complete redevelopment of the premises at 400 East Howard Street block, Hibbing, Minnesota 55746.
- 5) The parties agree that all wages paid by Rebound will be a livable wage (110% of the poverty rate for St. Louis County, Minnesota for a family of four) and further that Rebound will comply with all provisions in the Loan Agreement documents, a copy of which are attached hereto and made a part hereof.
- 6) That job creation for this particular project will be set at zero (0), however Rebound agrees that the employee level of Rebound shall not drop below their current levels presently.
- 7) That Rebound, in consideration for said subsidy, agrees to maintain its operations within the City of Hibbing for at least five (5) years from the time said subsidy is provided.
- 8) That Rebound acknowledges that it has been advised that as a part of this Business Subsidy Agreement it has an obligation to provide reports to HEDA for a Business Subsidy and said forms are prepared by the Department of Employment and Economic Development.
- 9) That Rebound further agrees that if it fails to meet any of the criteria set forth above, HEDA has the right to call the whole amount due on his note immediately.
- 10) **MISCELLANEOUS:**
 - a) All notices from one party to the other required or permitted under this Agreement will be in writing, will refer specifically to this Agreement, and will be delivered in person, or sent by electronic or facsimile transmission for which a confirmation of delivery is obtained, or sent by registered mail or express courier services providing evidence of delivery, in each case to the recipient party's respective address set forth on the signature page hereof (or to such updated address as may be specified in writing to the other party from time to time). Such notices will be deemed effective as of the date so delivered or on the third business day following mailing.
 - b) Other than as expressly set forth in this agreement, Rebound makes no representation or warranty and hereby expressly disclaims any representation or warranty of any kind, express or implied.
 - c) HEDA makes no representation or warranty and hereby expressly disclaims any representation or warranty of any kind, express or implied.

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

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

REBOUND PARTNERS LLC
 527 Professional Drive, Suite 100
 Northfield, Minnesota 55057

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

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

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

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the Hibbing Economic Development Authority (the "HEDA"), will conduct a public hearing on May 5, 2026, at 5:00 p.m., or as soon thereafter as the matter can be considered, at the Hibbing City Council Chambers in the City Hall at 401 East 21st Street, Hibbing, Minnesota. The public hearing concerns the application of Rebound Partners LLC for a business subsidy from the HEDA. Rebound Partners LLC is developing the 400 block of Howard Street in Hibbing and is seeking assistance from HEDA with some of the predevelopment expenses. Rebound Partners anticipates opening in the summer of 2028.

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

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

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

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

Dated: _____, 2026.

HIBBING ECONOMIC DEVELOPMENT AUTHORITY

By: _____
Betsy Olivanti
Community Development Director

At a regular meeting of the Board of Commissioners of the HIBBING ECONOMIC DEVELOPMENT AUTHORITY held April 16, 2026, at 5:00 P.M., _____ offered the following Resolution and moved its adoption:

RESOLUTION NO. 26-04-__

RESOLUTION CALLING FOR A PUBLIC HEARING ON THE APPLICATION OF ADVANCED MACHINE GUARDING SOLUTIONS INC. FOR A BUSINESS SUBSIDY FROM THE HIBBING ECONOMIC DEVELOPMENT AUTHORITY

WHEREAS, Advanced Machine Guarding Solutions Inc. (AMGS) has applied for a business subsidy from the Hibbing Economic Development Authority. AMGS is seeking a bridge loan in order to meet expenses while it contemplates selling shares of the company to raise equity to grow the company. Said loan sought from HEDA is \$150,000.00; and,

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

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

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

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

FOR ADOPTION:

AGAINST ADOPTION:

ABSTAIN:

ABSENT:

Passed and adopted this ____ day of _____, 2026.

I CERTIFY THAT the above Resolution was adopted by the Hibbing Economic Development Authority on _____, 2026.

HIBBING ECONOMIC DEVELOPMENT AUTHORITY

By _____
Steve Jurenes
Vice President

ATTEST:

CERTIFICATION

I hereby certify that the foregoing Resolution is a true and correct copy of the Resolution adopted and passed by the Hibbing Economic Development Authority at its regular meeting held Thursday, April 16, 2026.

Candie Seppala
City Clerk

BUSINESS SUBSIDY AGREEMENT

This Business Subsidy Agreement (the “**Agreement**”) is made effective as of _____ (“**Effective Date**”), by and between **Advanced Machine Guarding Solutions Inc., a Minnesota corporation (hereinafter AMGS)**, having a principal place of business at 1122 13th Street East, Hibbing, Minnesota 55746, United States, and the **Hibbing Economic Development Authority**, an economic development authority existing under the laws of the State of Minnesota, having its principal address at 401 East 21st Street, Hibbing Minnesota 55746, United States (**hereinafter “HEDA”**).

WHEREAS, AMGS is seeking a bridge loan in order to meet expenses while it contemplates selling shares of the company to raise capital to grow the business; and,

WHEREAS, AMGS received previous support from HEDA in the form of a loan that was originally \$188,000.00 that was expanded to \$250,00.00; a business subsidy in the form of use of its facility at 1122 13th Street East, Hibbing MN, deferred principal payments on its loan from June 1, 2025 through December 1, 2025; rent deferred on new building so rent will not commence until July 2026; and,

WHEREAS, AMGS has committed itself to growing the company but to gain sufficient capital AMGS needs substantial capital investment over and above what it currently has available; and,

WHEREAS, AMGS has represented that with additional capital they can maintain the new facility they are currently in and will sustain the increase the tax base for the City of Hibbing and shall see to the retention of 22 jobs plus potentially increase 2 job positions; and,

WHEREAS, AMGS seeks financial assistance from HEDA for an amount in excess of \$150,000.00; and,

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

- Department of IRRR Loan of \$4,500,000
- Department of IRRR Grant of \$300,000
- MN DEED 21st Century Mineral Fund Loan of \$4,500,000
- MN DEED 21st Century Mineral Fund Grant \$300,000
- Lease with HEDA for use of the building under construction with interest on the lease amounts lower than typical commercial loan rates.
- HEDA providing site for the property the value of the land is \$100,000.
- Business Subsidy Agreement

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

- 1) The business will not proceed in its present design and timetable without the business incentive.
- 2) The project maintains the increased tax base within the City of Hibbing.
- 3) That AMGS has shown to the satisfaction of HEDA that it has adequate financing to maintain the business with an additional infusion of capital.
- 4) That AMGS's application meets the criteria under HEDA's/City of Hibbing's Business Subsidy Criteria as well as that set forth in Minnesota Statutes Section 116J.993.

Business Subsidy Agreement
HEDA - AMGS
2026-04-__

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

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

- 1) That AMGS and HEDA will enter into this Business Subsidy Agreement in the amount of \$150,000.00.
- 2) That this loan meets the criteria of a public purpose in that it will provide for the maintaining the increased tax base to the City of Hibbing while AMGS seeks to sell shares of the company for additional Capital.
- 3) That AMGS shall be obligated to repay all of the business loan it is receiving that are a part of this Business Subsidy per the terms as set forth by the HEDA Board. Said business loan will include at minimum a note, as well as AMGS signing up for ACH payments and personal guarantees executed by owners of AMGS.
- 4) That the parties agree that said subsidy is needed to help AMGS meet expenses while it attempts to sell shares to raise capital for the business.
- 5) The parties agree that all wages paid by AMGS will be a livable wage (110% of the poverty rate for St. Louis County, Minnesota for a family of four) and further that AMGS will comply with all provisions in the Loan Agreement documents, a copy of which are attached hereto and made a part hereof.
- 6) That job creation for this particular project will be set at two (2), however AMGS agrees that the employee level of AMGS shall not drop below their current levels which presently have a cumulative total of 22.
- 7) That AMGS, in consideration for said subsidy, agrees to maintain its operations within the City of Hibbing for at least five (5) years from the time said subsidy is provided.
- 8) That AMGS acknowledges that it has been advised that as a part of this Business Subsidy Agreement it has an obligation to provide reports to HEDA for a Business Subsidy and said forms are prepared by the Department of Employment and Economic Development.
- 9) That AMGS further agrees that if it fails to meet any of the criteria set forth above, HEDA has the right to call the whole amount due on his note immediately.
- 10) **MISCELLANEOUS:**
 - a) All notices from one party to the other required or permitted under this Agreement will be in writing, will refer specifically to this Agreement, and will be delivered in person, or sent by electronic or facsimile transmission for which a confirmation of delivery is obtained, or sent by registered mail or express courier services providing evidence of delivery, in each case to the recipient party's respective address set forth on the signature page hereof (or to such updated address as may be specified in writing to the other party from time to time). Such notices will be deemed effective as of the date so delivered or on the third business day following mailing.
 - b) Other than as expressly set forth in this agreement, AMGS makes no representation or warranty and hereby expressly disclaims any representation or warranty of any kind, express or implied.

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

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

ADVANCED MACHINE GUARDING SOLUTIONS INC.

1122 13th Street East
Hibbing, Minnesota 55746

HIBBING ECONOMIC DEVELOPMENT AUTHORITY:

401 East 21st Street
Hibbing Minnesota 55746

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the Hibbing Economic Development Authority (the "HEDA"), will conduct a public hearing on _____, 2026, at 5:00 p.m., or as soon thereafter as the matter can be considered, at the Hibbing City Council Chambers in the City Hall at 401 East 21st Street, Hibbing, Minnesota. The public hearing concerns the application of Advanced Machine Guarding Solutions Inc. (AMGS) for a business subsidy from the HEDA. AMGS is seeking a bridge loan in order to meet expenses while it contemplates selling shares of the company to raise equity to grow the company

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

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

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

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

Dated: _____, 2026.

HIBBING ECONOMIC DEVELOPMENT AUTHORITY

By: _____
Betsy Olivanti
Community Development Director

City of Hibbing

CHANGE ORDER

Contractor: Dore & Associates

Change Order No.: 3

Address: 900 Harry Truman Parkway
Bay City, MI 48706

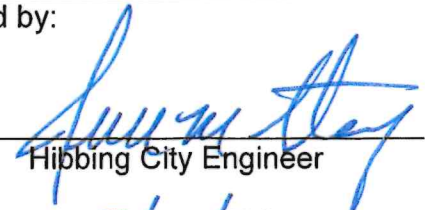
Project: 400 Block Demolition Project

1. Additional asbestos was found in the 402 building and 416 building.
2. The change order includes the following:
 - Demo of ceiling to access the mezzanine of 402 building and removal of approximately 50 square feet of hidden pipe.
 - Removal of approximately 90 linear feet of asbestos insulation in the 416 building.
 - Removal of approximately 1,850 square feet of asbestos floor tile, pre-clean rubble from practice burn/ceiling cave in, move MSW out of areas (subfloor and carpet) to remove approximately 600 feet of mastic on wood.

Total Change Order No. 3	\$ <u>46,575.00</u>
Contract Time Change for Change Order No. 3	<u>21 Days (Add)</u>
Original Contract Completion	<u>180 Days</u>
Contract Completion from Change Order No. 1	<u>240 Days</u>
Contract Completion from Change Order No. 3	<u>215 Days</u>

Received by: _____

 Dore & Associates
 Contractor

Issued by: _____

 Hibbing City Engineer

Printed Name: Jason C. Dore

Date: 3/20/26

Signature: 

Date: 3/20/26

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 03/03/2026	\$ 35,000	Fence Installation	\$ 18,000
HEDA Add'l funds 04/16/2026	\$ 27,815	Demolition	\$ 315,000
		Debris Transport/Disposal	\$ 85,000
		Backfill	\$ 20,000
		Topsoil	\$ 10,700
		Demobilization	\$ 7,500
		Demo Management	\$ 25,000
		Subtotal	\$ 673,700
		ECO#2	\$ 16,240.00
		ECO#3	\$ 46,575.00
Totals	\$ 736,515	Total	\$ 736,515.00

Plus 2 weeks to the schedule

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

**GRANT CONTRACT AGREEMENT
LOCAL HOUSING TRUST FUND GRANTS PROGRAM
THROUGH THE CITY OF HIBBING HOUSING TRUST FUND**

This Grant Contract Agreement is between the Hibbing Economic Development Authority ("HEDA") at 401 East 21st Street, Hibbing, Minnesota, 55746 ("GRANTOR") and _____ at _____ ("GRANTEE").

Recitals

1. Under [Minnesota 2023 Session Law, Chapter 37, Article 1, Section 2, Subd. 21](#), the Minnesota Housing Finance Agency ("MHFA") is empowered to enter into Grant Contract Agreements.
2. MHFA is in need of local governments to create or fund local housing trust funds as defined under [Minnesota Statute 462C.16](#) for the purposes of:
 - Making grants, loans, and loan guarantees for the development, rehabilitation, or financing of housing;
 - Matching other funds from federal, state, or private resources for housing projects;
 - Providing down payment assistance, rental assistance, and homebuyer counseling services; and
 - Administrative expenses, up to 10% of the Local Housing Trust Fund grant amount.
3. Pursuant to Minn. Stat. Sect. 462C.16 and Hibbing City Ordinance 440 found in Chapter 18 of the Hibbing City Code, the City of Hibbing created a Local Housing Trust Fund and appointed the Hibbing Economic Development Authority as Trustee of the City of Hibbing Housing Trust Fund has the authority to enter into this Grant Agreement.
4. As a part of its purpose, the City of Hibbing Housing Trust Fund may provide funds for all of the purposes set forth in Minn. Stat. Sect. 462C.16 as set forth above.
5. That the Grantee's request for _____
_____ meets criteria of the local Housing Trust Fund to receive grant funds.

Grant Contract Agreement

1. Term of Grant Contract Agreement

- 1.1 **Effective date:**
_____, 20____, or the date all required signatures are obtained, whichever is later. Per [Minn. Stat. 16B.98, Subd. 5](#), the Grantee must not begin work until this Grant Contract Agreement is fully executed and HEDA's Authorized Representative has notified the Grantee that work may commence. Per [Minn. Stat. 16B.98 Subd. 7](#), no payments will be made to the Grantee until this Grant Contract Agreement is fully executed.
- 1.2 **Grant period:**
The Grant Contract Agreement period for the Program begins with the Effective Date of this Grant Contract Agreement and continues through _____, (the "Grant Period"). All funds provided through this Grant Contract Agreement must be fully expended in compliance with this Grant Contract Agreement by the end of the Grant Period.

1.3 **Expiration date:**
_____, 20____, or until all obligations have been satisfactorily fulfilled, whichever occurs first.

1.4 **Survival of Terms.**
The following clauses survive the expiration or cancellation of this Grant Contract Agreement: 8. Liability; 9. State Audits; 10. Government Data Practices and Intellectual Property; 12. Publicity and Endorsement; 13. Governing Law, Jurisdiction, and Venue; and 15 Data Disclosure.

2. Grantee's Duties

The Grantee, who is not a state employee, will:

Comply with required grants management policies and procedures set forth through [Minn. Stat. 16B.97, Subd. 4 \(a\) \(1\)](#), and review the State of Minnesota Office of Grants Management policy [08-01](#) (Conflict of Interest for State Grant-Making). The Grantee is required to have a documented Conflict of Interest policy and must utilize this policy when performing the Grantee duties under the Grant Contract Agreement. If the Grantee has knowledge or becomes aware of any actual, potential, perceived, or organizational conflicts of interest with respect to the Grant Contract Agreement, the Grantee shall immediately disclose the conflict of interest directly to HEDA.

2.1 **Work Plan**

The Grantee shall perform the duties specified in **Exhibit A** (the "Work Plan"), which is attached and incorporated into this Grant Contract Agreement.

2.2 **Program Guide**

The Grantee will comply with the Local Housing Trust Fund Grants [Program Guide](#) (the "Program Guide"), located on MHFA's [website](#), which is incorporated into this Grant Contract Agreement, and may be amended as needed. HEDA will provide notice of any such amendments to the Grantee's Authorized Representative (defined herein) by email. Unless otherwise indicated in the Program Guide, any such amendments are binding to the Grantee as of the date indicated in the notice, which shall not be earlier than the date that HEDA sends the notice. HEDA shall obtain all notices from MHFA.

2.3 **Authorized Expenditures**

The Grantee acknowledges that grant funds disbursed by HEDA are provided for the purposes of incentivizing local funding for affordable housing for the authorized expenditures listed in [Minn. Stat. 462C.16, Subd. 3](#). All grant funds must be used by the Grantee to fund the activities described in the Work Plan in accordance with the terms of this Grant Contract Agreement.

2.4 **Reporting**

The Grantee must submit annual reports to HEDA beginning no later than one calendar year after the effective date of this Grant Contract Agreement and continuing until all grant funds have been expended or the expiration date of the Grant Contract Agreement, whichever occurs first. Required annual report information may include: program or project progress reporting, grant and matching New Public Revenue expenditures, communities benefitting from grant funds, and any other information HEDA requests regarding the use of grant funds.

Reporting forms, instructions, and submission dates will be available on the Local Government Housing Programs [webpage](#).

3. Time

The Grantee must comply with all the time requirements described in this Grant Contract Agreement. In the performance of this Grant Contract Agreement, time is of the essence.

4. Consideration and Payment

4.1 *Payment*

HEDA shall release funds to the Grantee upon an invoice being submitted by the Grantee for the services and/or projects as requested in the application.

Grantee shall provide semi-annual reports to the Hibbing Economic Development Authority with respect to how the funds were spent. Said reports shall be due on July 1st and January 1st. Grantee shall also provide a final report at the completion of the project. Each report submitted should include but not be limited to a summary of project expenditures with invoice copies of proof of payment.

4.2 *Contracting and Bidding Requirements*

- (a) Any services and/or materials that are expected to cost \$100,000 or more must undergo a formal notice and bidding process.
- (b) Services and/or materials that are expected to cost between \$25,000 and \$99,999 must be competitively awarded based on a minimum of three (3) verbal quotes or bids.
- (c) Services and/or materials that are expected to cost between \$10,000 and \$24,999 must be competitively awarded based on a minimum of two (2) verbal quotes or bids or awarded to a targeted vendor.
- (d) The Grantee must take all necessary affirmative steps to assure that targeted vendors from businesses with active certifications through these entities are used when possible:
 - [State Department of Administration's Certified Targeted Group, Economically Disadvantaged and Veteran-Owned Vendor List](#)
- (e) The Grantee must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award, and administration of contracts.
- (f) The Grantee must maintain support documentation of the purchasing or bidding process used to contract services in their financial records, including support documentation justifying a single/sole source bid, if applicable.
- (g) Notwithstanding (a) - (d) above, HEDA may waive bidding process requirements when:
 - Vendors included in response to competitive grant request for proposal process were approved and incorporated as an approved work plan for the grant.
 - It is determined there is only one legitimate or practical source for such materials or services and that the Grantee has established a fair and reasonable price.
- (h) For projects that include construction work of \$25,000 or more, prevailing wage rules apply per [Minn. Stat. 177.41](#) through [177.44](#). These rules require that the wages of laborers and workers should be comparable to wages paid for similar work in the community as a whole.
- (i) The Grantee must not contract with vendors who are suspended or debarred in MN: <https://mn.gov/admin/osp/government/suspended-debarred>.

5. Conditions of Payment

All services provided by the Grantee under this Grant Contract Agreement must be performed to HEDA's satisfaction, as determined at the sole discretion of the HEDA's Authorized Representative and in accordance with all applicable federal, state, and local laws, ordinances, rules, and regulations. The Grantee will not receive payment for work found by HEDA to be unsatisfactory or performed in violation of federal, state, or local law.

6. Authorized Representative

HEDA's Authorized Representative is Betsy Olivanti, Hibbing Economic Development Director and Director of Local Government Housing Programs, 401 East 21st Street, Hibbing, MN 55746, 218-421-7939, betsyolivanti@hibbingmn.gov, or her successor, and has the responsibility to monitor the Grantee's performance and the authority to accept the services provided under this Grant Contract Agreement. If the services are satisfactory, the HEDA's Authorized Representative will certify acceptance on each invoice submitted for payment.

If the Grantee's Authorized Representative changes at any time during this Grant Contract Agreement, the Grantee must immediately notify HEDA.

7. Assignment Amendments, Waiver, and Grant Contract Agreement Complete

7.1 *Assignment*

The Grantee shall neither assign nor transfer any rights or obligations under this Grant Contract Agreement without the prior written consent of HEDA, approved by the same parties who executed and approved this Grant Contract Agreement, or their successors in office.

7.2 *Amendments*

Any amendments to this Grant Contract Agreement must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original Grant Contract Agreement, or their successors in office.

7.3 *Waiver*

If HEDA fails to enforce any provision of this Grant Contract Agreement, that failure does not waive the provision or HEDA's right to enforce it.

7.4 *Grant Contract Agreement Complete*

This Grant Contract Agreement contains all negotiations and agreements between MHFA and the Grantee. No other understanding regarding this Grant Contract Agreement, whether written or oral, may be used to bind either party.

8. Liability

The Grantee must indemnify, save, and hold HEDA, its agents, and employees harmless from any claims or causes of action, including attorney's fees incurred by HEDA, arising from the performance of this Grant Contract Agreement by the Grantee or the Grantee's agents or employees. This clause will not be construed to bar any legal remedies the Grantee may have for the HEDA's failure to fulfill its obligations under this Grant Contract Agreement.

9. State Audits

Under Minn. Stat. § 16B.98, Subd.8, the Grantee's books, records, documents, and accounting procedures and practices of the Grantee or other party relevant to this Grant Contract Agreement or transaction are subject to examination by HEDA, MHFA and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of this Grant Contract Agreement, receipt and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later.

10. Government Data Practices and Intellectual Property Rights

10.1 *Government Data Practices*

The Grantee and HEDA must comply with the Minnesota Government Data Practices Act, [Minn. Stat. Ch. 13](#), as it applies to all data provided by HEDA under this Grant Contract Agreement, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Grantee under this Grant Contract Agreement. The civil remedies of [Minn. Stat. 13.08](#) apply to the release of the data referred to in this clause by either the Grantee or HEDA. If the Grantee receives a request to release the data referred to in this Clause, the Grantee must immediately notify HEDA. HEDA will give the Grantee instructions concerning the release of the data to the requesting party before the data is released. The Grantee's response to the request shall comply with applicable law.

10.2 *Intellectual Property Rights*

- (a) HEDA owns all rights, title, and interest in all of the intellectual property rights, including copyrights, patents, trade secrets, trademarks, and service marks in the works and documents created and paid for under this Grant Contract Agreement. The "works" means all inventions, improvements, discoveries (whether or not patentable), databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes, and disks conceived, reduced to practice, created or originated by the Grantee, its employees, agents, and subcontractors, either individually or jointly with others in the performance of this Grant Contract Agreement. "Works" includes documents. The "documents" are the originals of any databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes, disks, or other materials, whether in tangible or electronic forms, prepared by the Grantee, its employees, agents, or subcontractors, in the performance of this Grant Contract Agreement. The documents will be the exclusive property of HEDA and all such documents must be immediately returned to HEDA by the Grantee upon completion or cancellation of this Grant Contract Agreement. To the extent possible, those works eligible for copyright protection under the United States Copyright Act will be deemed to be "works made for hire." The Grantee assigns all right, title, and interest it may have in the works and the documents to HEDA. The Grantee must, at the request of HEDA, execute all papers and perform all other acts necessary to transfer or record HEDA's ownership interest in the works and documents.
- (b) *Obligations*
 - (1) Notification. Whenever any invention, improvement, or discovery (whether or not patentable) is made or conceived for the first time or actually or constructively reduced to practice by the Grantee, including its employees and subcontractors, in the performance of this Grant Contract Agreement, the Grantee will immediately give HEDA's Authorized Representative written notice thereof, and must promptly furnish HEDA's Authorized Representative with complete information and/or disclosure thereon.
 - (2) Representation. The Grantee must perform all acts and take all steps necessary to ensure that all intellectual property rights in the works and documents are the sole property of HEDA, and that neither the Grantee nor its employees, agents, or subcontractors retain any interest in and to the works and documents. The Grantee represents and warrants that the works and documents do not and will not infringe upon any intellectual property rights of other persons or entities. The Grantee will indemnify; defend, to the extent permitted by the Attorney General; and hold harmless HEDA, at Grantee's expense, from any action or claim brought against HEDA to the extent that it is based on a claim that all or part of the works or documents infringe upon the intellectual property rights of others. The Grantee will be responsible for payment of any and all such claims, demands, obligations, liabilities, costs, and damages,

including but not limited to, attorney fees. If such a claim or action arises, or in the Grantee's or HEDA's opinion is likely to arise, the Grantee must, at the HEDA's discretion, either procure for HEDA the right or license to use the intellectual property rights at issue or replace or modify the allegedly infringing works or documents as necessary and appropriate to obviate the infringement claim. This remedy of HEDA will be in addition to and not exclusive of other remedies provided by law.

11. Workers Compensation

The Grantee certifies that it is in compliance with [Minn. Stat. 176.181, Subd. 2](#), pertaining to workers' compensation insurance coverage. The Grantee's employees and agents will not be considered HEDA employees. Any claims that may arise under the Minnesota Workers' Compensation Act on behalf of these employees and any claims made by any third party as a consequence of any act or omission on the part of these employees are in no way HEDA's obligation or responsibility.

12. Publicity and Endorsement

12.1 *Publicity*

Any publicity regarding the subject matter of this Grant Contract Agreement must identify HEDA as the sponsoring agency and must not be released without prior written approval from HEDA's Authorized Representative. For purposes of this provision, publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Grantee individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this Grant Contract Agreement. All projects primarily funded by state grant appropriations must publicly credit HEDA, including on the Grantee's website when practicable.

12.2 *Endorsement*

The Grantee must not claim that HEDA endorses its products or services.

13. Governing Law, Jurisdiction, and Venue

Minnesota law, without regard to its choice-of-law provisions, governs this Grant Contract Agreement. Venue for all legal proceedings out of this Grant Contract Agreement, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Hibbing, St. Louis County, Minnesota.

14. Termination

14.1 *Termination by HEDA*

(a) *Without Cause*

HEDA may terminate this Grant Contract Agreement without cause, upon 30 days' written notice to the Grantee. Upon termination, the Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed.

(b) *With Cause*

HEDA may immediately terminate this Grant Contract Agreement if HEDA finds that there has been a failure to comply with the provisions of this Grant Contract Agreement, that reasonable progress has not been made or that the purposes for which the funds were granted have not been or will not be fulfilled. HEDA may take action to protect the interests of HEDA, including the refusal to disburse additional funds and requiring the return of all or part of the funds already disbursed.

14.2 ***Termination for Insufficient Funding***

HEDA may immediately terminate this Grant Contract Agreement if:

If funding cannot be continued at a level sufficient to allow for the payment of the services covered here. Termination must be by written notice to the Grantee. HEDA is not obligated to pay for any services that are provided after notice and effective date of termination. However, the Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed to the extent that funds are available.

15. Data Disclosure

Under [Minn. Stat. 270C.65, Subd. 3](#), and other applicable law, the Grantee consents to disclosure of its social security number, federal employer tax identification number, and/or Minnesota tax identification number, already provided to HEDA, to federal and state tax agencies and state personnel involved in the payment of state obligations. These identification numbers may be used in the enforcement of federal and state tax laws which could result in action requiring the Grantee to file state tax returns and pay delinquent state tax liabilities, if any.

16. Fraud Disclosure

Fraud is any intentionally deceptive action made for personal gain or to damage another. Any person or entity (including its employees and affiliates) that enters into an agreement with HEDA and witnesses, discovers evidence of, receives a report from another source, or has other reasonable basis to suspect that fraud or embezzlement has occurred must immediately make a report to:

- HEDA's Authorized Representative;

17. Suspension

By entering into any agreement with HEDA, a contracting party represents that the contracting party (including its employees or affiliates that will have direct control over the subject of the agreement) has not been suspended from doing business with HEDA.

18. Conflicts

In the event of a conflict between the terms of this Grant Contract Agreement, its exhibits, and the Program Guide, or between exhibits, the order of precedence is first the Grant Contract Agreement, and then in the following order:

- Exhibit A – Work Plan

[Remainder of this page is left intentionally blank.]

[See next page for signatures.]

1. GRANTEE

The Grantee certifies that the appropriate person(s) have executed the Grant Contract Agreement on behalf of the Grantee as required by applicable articles, bylaws, resolutions, or ordinances.

By: _____

Title: President _____

Date: _____

By: _____

Title: _____

Date: _____

2. HIBBING ECONOMIC DEVELOPMENT AUTHORITY

By: _____
(with delegated authority)

Title: President _____

Date: _____

By: _____

Title: Vice President _____

Date: _____

DRAFT

LEES RENTAL & COMMERCIAL DEVELOPMENT
1810 EAST THIRD AVE
HIBBING MN 55746
218-262-2860
218-263-8960 (FAX)

APRIL 9, 2026

TO: THE HEDA BOARD

RE: LOAN SUBORDINATIONS

WE ARE REQUESTING APPROVAL ON A COUPLE OF DIFFERENT LOAN SUBORDINATIONS.

WE HAVE A HAND FULL OF LOANS THAT ARE ON A 5 YEAR RENEWAL WITH OUR BANKS, AND HAVE COME DUE.

THE FIRST ONE IS 3923 1ST AVE. THE SECOND ONE IS A FORGIVABLE ON 301 E HOWARD.

THESE WILL BE COMBINED WITH OTHER PROPERTIES ON A LOAN FOR ABOUT 6.5 MILLION.

THE THIRD ONE IS 101 E HOWARD. THIS WILL BE COMBINED WITH A DIFFERENT HANDFUL OF PROPERTIES ON A LOAN OF ABOUT 6.4 MILLION.

SEVERAL OF OUR OTHER LOANS WITH YOU WITH SMALLER BALANCES WILL BE PAID OFF THIS GO ROUND AS WELL

.we are consolidating the number of banks that we deal with,loan number 1 that has 3923 and 301 are currently at bell bank , these will be moved to old national bank with a total senior loan amount of 6.5 million. 101 east howard is currently with grand rapids state bank, and is being moved to national bank of commerce along with 10 other properties as we close out our relationship with grand rapids state bank. the total senior note will be 6.4 million.

THANKS FOR YOUR CONSIDERATION.



RICH LEES
218-969-1586

Jefferson School Site



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

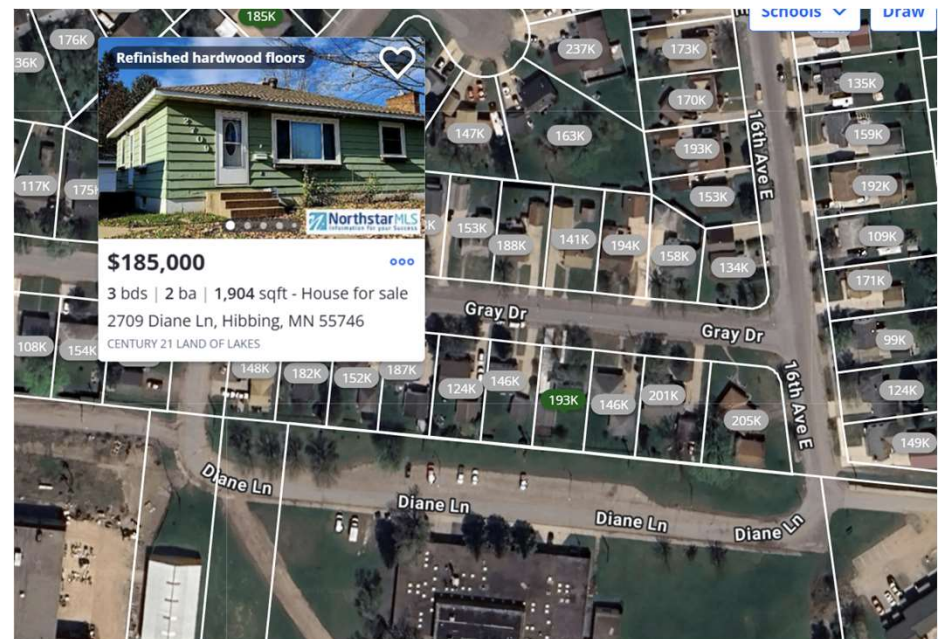


The Site in Context

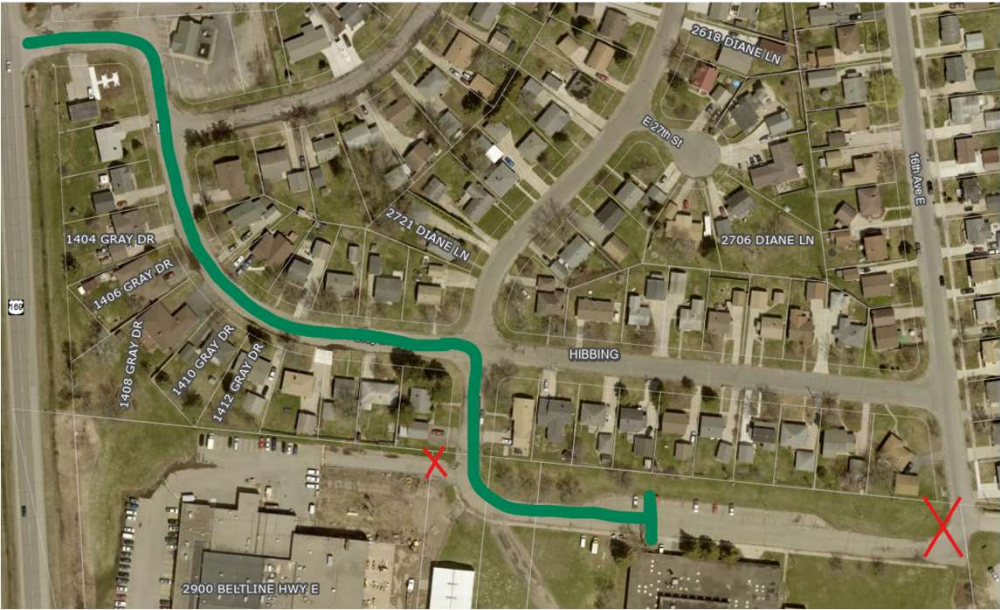
Graysherwoods Apts.- tired property- limits values



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



Site Access



Single-Family Homes- Price Limitations

Year	Median Price	YoY Change
2020	\$102,000	–
2021	\$114,900	+13%
2022	\$133,000	+16%
2023	\$145,000	+9%
2024-present	\$163,750	+13%

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

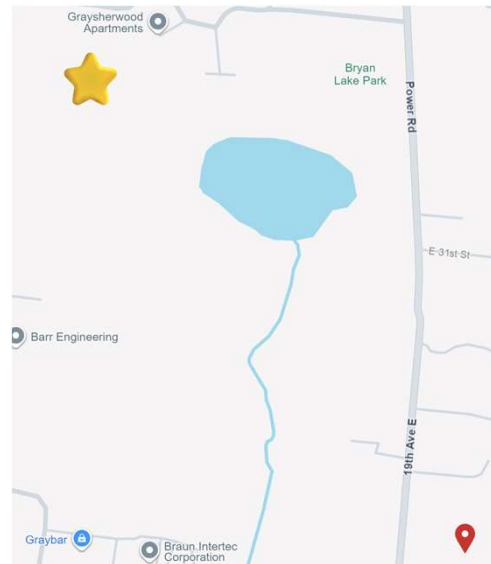
Why Traditional SF Won't Work

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

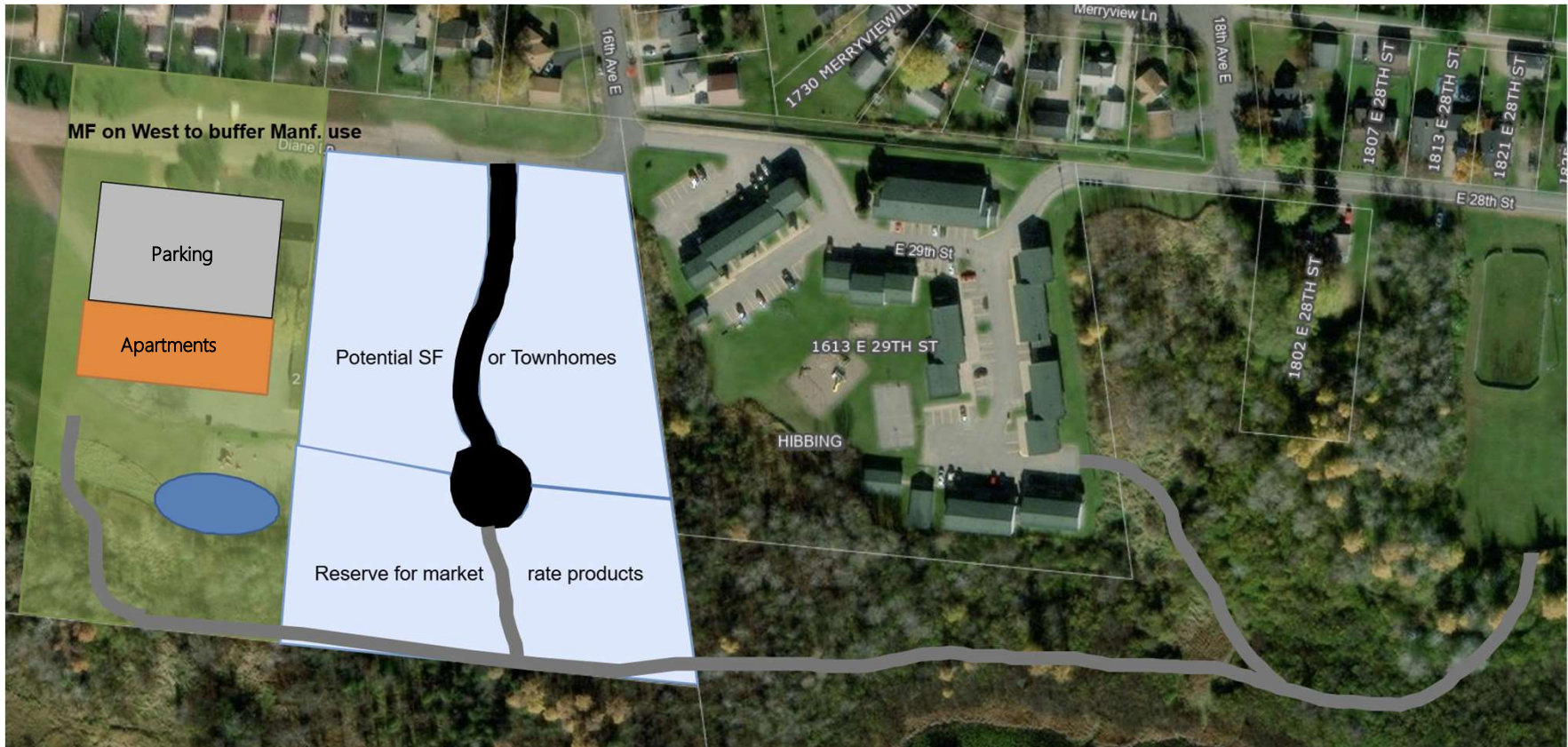


What can you build for \$165,000?

$\$165,000 / \$275 \text{ (per sf)} = 600 \text{ sf.}$

- 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



Scenario 2



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. Clarify the status of ROW easement/s.
 1. Dedicate ROW to the City if not already done.
2. Demolish the building.
 1. TIF resolution passed for Redevelopment District eligibility
3. Maintain flexibility around the types of housing products you require.
 1. Any housing here will be a win.
4. Solicit developer interest directly first.
 1. If this is not successful, issue an RFQ/P.

Questions?



Business Record Details »

Minnesota Business Name

Collyard Landscaping L. L. C.**Business Type**

Limited Liability Company (Domestic)

MN Statute

322C

File Number

620689000023

Home Jurisdiction

Minnesota

Filing Date

10/2/2012

Status

Active / In Good Standing

Renewal Due Date

12/31/2027

Registered Office Address

101 E. Fifth Street, Suite 910

St. Paul, MN 55101

USA

Registered Agent(s)

Eric Johnson

Mailing Address

5011 Isle Ave. N.

Lake Elmo, MN 55042

Principal Executive Office Address

5011 ISLE AVE N

LAKE ELMO, MN 55042-9400

USA

Manager

mitchel collyard

5011 ISLE AVE N

LAKE ELMO, MN 55042-9400

USA

Filing History

Filing History

Select the item(s) you would like to order:

<input type="checkbox"/>	Filing Date	Filing	Effective Date
<input type="checkbox"/>	10/2/2012	Original Filing - Limited Liability Company (Domestic) (Business Name: Collyard Landscaping L. L. C.)	
<input type="checkbox"/>	4/21/2014	Administrative Termination - Limited Liability Company (Domestic)	
<input type="checkbox"/>	3/19/2015	Annual Reinstatement - Limited Liability Company (Domestic)	
<input type="checkbox"/>	3/1/2017	Administrative Termination - Limited Liability Company (Domestic)	
<input type="checkbox"/>	6/29/2017	Annual Reinstatement - Limited Liability Company (Domestic)	
	1/1/2018	Conversion to 322C Due to Statute Mandate - Limited Liability Company (Domestic)	
<input type="checkbox"/>	3/18/2019	Administrative Termination - Limited Liability Company (Domestic)	
<input type="checkbox"/>	8/28/2019	Annual Reinstatement - Limited Liability Company (Domestic)	
<input type="checkbox"/>	2/16/2021	Administrative Termination - Limited Liability Company (Domestic)	
<input type="checkbox"/>	4/14/2021	Annual Reinstatement - Limited Liability Company (Domestic)	
<input type="checkbox"/>	1/31/2023	Administrative Termination - Limited Liability Company (Domestic)	
<input type="checkbox"/>	6/14/2024	Annual Reinstatement - Limited Liability Company (Domestic)	

	Filing Date	Filing	Effective Date
<input type="checkbox"/>	1/16/2026	Administrative Termination - Limited Liability Company (Domestic)	
<input type="checkbox"/>	1/22/2026	Annual Reinstatement - Limited Liability Company (Domestic)	

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Business Record Details »

Minnesota Business Name

Collyard Demolition**Business Type**

Assumed Name

MN Statute

333

File Number

1606229200028

Home Jurisdiction

Minnesota

Filing Date

12/7/2025

Status

Active / In Good Standing

Renewal Due Date

12/31/2026

Principal Place of Business Address1082 NELSON FARM RD
HUDSON, WI 54016-7201
USA**Applicant****Applicant Address**

Mitchel Leo Collyard

1082 NELSON FARM RD, HUDSON, WI 54016 - 7201

[Filing History](#)**Filing History**

Select the item(s) you would like to order:

<input type="checkbox"/>	Filing Date	Filing	Effective Date
<input type="checkbox"/>	12/7/2025	Original Filing - Assumed Name (Business Name: Collyard Demolition)	