



**HIBBING ECONOMIC DEVELOPMENT
AUTHORITY**
Regular Meeting
Tuesday, May 5, 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. CALL TO ORDER:

II. ADDS AND DELETES:

III. APPROVAL OF THE AGENDA:

IV. APPROVAL OF MINUTES:

1. Approve the Minutes of the Hibbing Economic Development Authority Meeting of April 16, 2026

V. CONSENT AGENDA:

1. Affirm the Economic Development Loan Fund account balance as of April 30, 2026 in the amount of \$1,806,364.41
2. Approve disbursements for the month of April in the amount of \$71,458.04
 1. Fund 250 (HEDA ED/Rev Ln Fd) - \$39,439.32
 2. Fund 255 (HEDA General Fd) - \$12,046.41
 3. Fund 392 (TIF#12 DS Fd) - \$0
 4. Fund 418 (Downtown Capital Prjt Fd) - \$4,852.31
 5. Fund 440 (Tax Abatement Prjt Fd) - \$0
 6. Fund 422 (Deferred Loan Fund) - \$0
 7. Fund 610 (HEDA – AMGS) - \$15,120.00
3. Set the next regular HEDA Meeting for Tuesday, June 2, 2026 at 5 p.m. in the Hibbing City Hall Council Chambers.

VI. PUBLIC HEARING:

1. Conduct the public hearing on the business subsidy request by AMGS located at 1122 13th Street East, Hibbing, MN 55746 for a bridge loan in the amount of \$150,000 for working capital.

2. Conduct the public hearing on the business subsidy request by Rebound Partners located at 527 Professional Drive, Suite 100, Northfield, Minnesota 55057 for a loan in the amount of \$276,000 for predevelopment funds for the Iron Exchange at 400, the 400 Block Redevelopment Project.

VII. PRESENTATIONS:

1. 400 Block Demo Update - Scott Cianek, Dore Project Manager
2. Jefferson Redevelopment Site Proposal - Vision Inc.
3. HFD Training at Jefferson School Redevelopment Site - HFD Captain Woinarowicz

VIII. DEPARTMENT AND COMMITTEE REPORTS:

1. Community Development Director Betsy Olivanti

- a. Consider and take action on Resolution 26-05-02 Authorizing the Hibbing Economic Development Authority to Make Application to and Accept Funds from the Dept. of IRRR's Development Partnership Grant Program to renew the Deferred Loan Program.
- b. Consider and take action on Resolution 26-05-04 Repurposing and Transferring Funds to Support the HED Deferred Loan Program.
- c. Consider and Take Action on Resolution 26-05-03 Authorizing the Hibbing Economic Development Authority to Make Application to and Accept Funds from the Dept. of IRRR's Development Partnership Grant Program for the Rebound Predevelopment Loan.

2. Finance Director-Treasurer Sheena Mulner

- a. HEDA Loan Balances

3. City Attorney Andy Borland

IX. LOAN REQUESTS:

1. Consider and take action on the bridge loan request for \$150,000 in working capital from AMGS.
2. Consider and take action on the loan request in the amount of \$276,000 for predevelopment funding from Rebound Partners for the Iron Exchange at 400.

X. DISCUSSION ITEMS:

1. HEDA Strategic Planning

XI. ADJOURNMENT:

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

April 16, 2026

Meeting Information:

- Location: Hibbing City Hall Council Chambers
- Attendees: Present at roll call were President Steve Jurenes, Vice President Celia Cameron, Mayor Pete Hyduke, Member John Schweiberger, Member Jennifer Hoffman Saccoman, Member Mike Egan and new member Jim Skalski. Also present were Attorney Andy Borland, Finance Director Sheena Mulner, Community Development Director Betsy Olivanti and City Administrator Greg Pruszinski. Olivanti also acknowledged that members of the Heritage Preservation Commission were present in the chambers.

I. CALL TO ORDER: President Jurenes called the meeting to order at 5:04 p.m.

II. OATH OF OFFICE: New Member Jim Skalski was sworn in by Attorney Borland

III. APPROVAL OF AGENDA:

Hyduke supported by Cameron motioned to approve the agenda. Motion carried.

IV. APPROVAL OF MINUTES:

Egan supported by Hyduke motioned to approve the minutes of the Hibbing Economic Development Authority Meeting of March 3, 2026. Motion carried.

V. CONSENT AGENDA:

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

1. Affirm the Economic Development Loan Fund account balance as of March 31, 2026, in the amount of \$1,824,141.51

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 Council Chambers.

VI. PRESENTATIONS:

1. The Iron Exchange at 400 - Mike Kappers & Brett Reese of Rebound Partners LLC, Rebound Partners Rebound Organization, which also includes Revocity

Gave presentation providing updates on the project: reviewed history and work accomplished to date, hoping to close on the project by the end of 2026 with construction beginning in spring 2027. Currently on their fourth revision, which now features four or five stories with 60-80 units (a mix of studio, 1 bd, 2 bds and 2 bds/2 bath), covered and surface parking, commercial/retail/restaurant space, fitness room, little office, lobby area, mail room, etc. Working with a local general contractor, initial costs were at \$34 million – numbers did not work. They've scaled the project and the uses of the different spaces to where they think is more optimal. It has been difficult finding a business model that works given the much higher construction costs in the region (example given: estimates a month ago show about 40 percent higher than the than projects in where they have worked in southern MN). Lower rents in the Hibbing area also works against them.

In January, it still had an \$8 million gap. With the city's help, they plan to meet with IRRRB, Minnesota Housing, Duluth LISC and other entities in the next month. The plan is to get close the gap in financing of roughly \$6 million. The TIF run is already figured into the current pro forma. Work remains under a pre-development agreement.

A HEDA member said the exterior design has received mixed reaction as being historical vs modern. Olivanti confirmed that all materials are acceptable by current city ordinances and will not require a conditional use permit application nor approval of the Planning Commission. The Heritage Preservation Commission would not have an insertion point at this time.

Other questions included stick vs. modular, possible parking issues, prevailing wage agreement, if a business has shown interest/been secured, cost of rent for commercial per square foot, and whether Rebound has not seen a project through to completion, etc. Proposed rents were also discussed.

Rebound plans to request \$276,000 in pre-development capital from HEDA through December 2026. Milestones to ensure the project is moving forward would be monitored by Olivanti and would include switching from a pre-development agreement to a development agreement and securing TIF funding. HEDA will also have external counsel on the refined pro forma.

Rebound stated they are confident that they are on the verge of securing a business model that works with construction costs coming in much lower than initially. They remain optimistic, positive and solution oriented.

HEDA member Schweiberger said the project is feeling cramped (too much in too little space) and far from the initial pitch. He feels there was not great direction given on where to go and could simply demolish the buildings and re-evaluate at this time.

Olivanti noted that Mn DEED and Dept. of IRRR funding is predicated on building on the lot and there will be a 36-month window from taking down the buildings to when the TIF district must start. There is a window of opportunity for due diligence, making sure that this is the right project, make sure that Rebound works with the EDA board to design the project that is financially feasible and best suits our community.

Other members voiced support for the project as long as the information continues to come in, due diligence is performed and it makes sense for the community. They want a business plan that works and sets up success.

2. AMGS Loan Request - Jason Wobbema

Requesting a \$150,000 bridge loan due to a loss of income because of the economy slowing down business progression, less demand from customers (not loss of customers) and delay in building the automation and the equipment in the Hibbing facility. Despite business returning (and they are hiring), they are struggling with working capital. They have unsuccessfully sought help so are looking at potentially selling the business to private equity (3 options out of town) and also potentially partnering with another local company. The loan would help current owners not make a rash decision until July. Would be an equity injection.

If sold to a non-local entity, the likelihood of moving out of Hibbing is high. They are currently 25 employees.

3. Loan Subordination Request - Rich Lees

Has some loans that are on their 5-year balloon that are coming due and will be rewritten. Hoping to condense down the number of banks they work with (by eliminating 2) and look into move several loans to existing banks and combine. The properties are: 3923 First Ave (old L&M Fleet Supply), 301 E. Howard St (Andrew Mason Lees building) and 101 E. Howard St (most recently Yoders). Pay off and trim down. Some capital going into the Graysher Mall (a facelift and parking lot). Requesting subordination agreements.

Hyduke thanked Lees for working with a local bank. Olivanti noted Lees' loans are up to date and on time.

VII. DEPARTMENT AND COMMITTEE REPORTS:

1. Community Development Director Betsy Olivanti

- a. Adopt resolution 26-04-09 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 at the May 5, 2026, meeting.

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

- b. Adopt resolution 26-04-10 to call for a public hearing for the funding request from AMGS for \$150,000 in working capital funding at the May 5, 2026, meeting.

Hoffman Saccoman supported by Hyduke motioned to adopt the resolution. Motion carried.

- c. Approve ECO#3 for 400 Block Demo Project and budget adjustment (an additional 2 weeks and \$844,215)

Egan supported by Schweiberger motioned to approve the change order. Motion carried.

2. Finance Director Sheena Mulner

a. HEDA Loan Balances

1. A hearing was held for Moxie last week
2. A couple of leases/loans (1818 E. 3rd & 1809 E. 3rd) were paid off
3. Iron Management is believed to be starting demolition this month
4. Yoder made another withdrawal (at \$256,000)
5. Working on loan documents with Buljana Investments and Granite Homes
6. Mirror, Mirror (Katie Winchester) has met all the criteria for forgiveness on the second installment on her deferred loan
7. Working with Sammy's on their deferred loan
8. Available in the economic development revolving loan fund: \$1,465,130.25
9. Available in Fund 420 Storefront Rental Fund: \$231,017.53
10. Annual interest allocation for our audit: \$5,928.50

3. City Attorney Andy Borland

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

Hoffman Saccoman supported by Cameron motioned to approve the agreement.
Motion carried.

VIII. LOAN REQUESTS

- ### a. Consider R. Lees Loan Subordination Request

Egan supported by Hoffman Saccoman motioned to approve the request. Jurenes, Hyduke, Schweiberger Hoffman Saccoman, Egan and Skalski voted in favor. Cameron Abstained for conflict of interest. Motion carried.

IX. DISCUSSION ITEMS:

- ### 1. Jefferson School Site Redevelopment Project - how would you like to proceed?

Hyduke stated he liked last month's presentation by North Shore Development Corp and supported that vision of multi-use in that area. He would like to see what that developer is thinking.

Next chance to apply for demo funding (similar to the 400 block) is Aug. 1. Pre-work has been done but they now need to decide what kind of development to move forward with for the grant application. Presenter could be present in May. No urgency as the following grant round would be in February.

- ### 2. 400 Block Redevelopment Project Demo Update – April 27.

Demolition of the 400 block starts April 27th with the 507 following up. And then the wall rebuild will start in the beginning of June.

Olivanti thanked members for the thoughtful questions and comments during Rebound's presentation. She encouraged them to keep the questions coming and she will follow up with answers. It's the best way to continue to keep the community informed on big projects.

She added: According to the downtown study conducted with AEOA in late 2022/early 2023 to put this deferred loan program together in downtown indicated that the overall tax capacity of our downtown was about \$ 20 million. Building the 400 block -- this one building, assuming that it assesses where we're targeting for that \$10 to \$ 11 million on a project of \$ 25 million -- means that this board will increase the tax capacity in our downtown by 50 % with one project.

XI. ADJOURNMENT:

There being no further items on the agenda, a motion was made by Hyduke and supported by Egan to adjourn the meeting at 6:47 p.m. Motion carried.

President Steve Jurenes

Community Development Dir. Betsy Olivanti

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: _____



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 For more information or help please call:
401 East 21st Street 1-218-312-1579

Job Creation

	Full Time	Part Time	Total Full Time Equivalent*
Number of Existing Employees	<u>22</u>	<u> </u>	<u>22</u>
Number of New Jobs Created	<u>2</u>	<u> </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	<u> </u>	Land	<u> </u>
Loan 1	<u> </u>	Building	<u> </u>
Loan 2	<u> </u>	Equipment	<u> </u>
Loan 3	<u> </u>	Inventory	<u> </u>
Line of Credit	<u> </u>	Start-Up Costs	<u> </u>
	<u> </u>	Goodwill	<u> </u>
	<u> </u>	Refinance	<u> </u>
TOTAL	<u> </u>	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		

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: _____

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



City of Hibbing
400 Block Demolition Project

Pigeon Removal **COMPLETED
January 12-18, 2026

Asbestos Abatement – AbateTek **COMPLETED
January 26, 2026 – March 20, 2026
***original scope and CO2 scope*

Asbestos Abatement – CO3 **COMPLETED
March 23-April 10, 2026

Universal Waste/Windows/Balcony **COMPLETED
April 13-24, 2026

Fence Installation/Demo mobilization **COMPLETED
April 13-24, 2026

Additional asbestos abatement (402 and 416)
May 18-22, 2026

Demolition of 400 Block and 507
May 26-August 7, 2026

Wall rebuild of 507 Building
July 6-24, 2026

Debris Load-out
June 1-August 14, 2026

Backfill
June 29-August 28, 2026

Topsoil
August 31-September 4, 2026

** Changes made to schedule due to more unaccounted for asbestos found in buildings.
** Schedule is subject to change.



Jake Woinarowicz
Captain/Paramedic
Training Officer

jakewoinarowicz@hibbingmn.gov

Phone: 218.403.7570

Fax: 218.263.4020

Hibbing Fire Department.
2320 Brooklyn Drive
Hibbing, MN 55746

Fire Training Plan for Jefferson School

Three-part training plan

Part 1: Three to four formal trainings led by the Hibbing Fire Department, inviting our mutual aid partners (Chisholm, Cherry, Silica, Nashwauk, Keewatin, Greenway) and N.E.T.O. members (Duluth, Superior, Virginia, Cloquet, ANG 148th FW).

- Open area search & rescue
- Window initiated search & rescue (VES)

Closer to demolition

- Vertical ventilation
- Forcible entry/exit

Part 2: Informal daily crew trainings

- Other search and rescue drills
- Hose advancement
- Ground ladders
- Aerial apparatus spotting/operation



Jake Woinarowicz
Captain/Paramedic
Training Officer

jakewoinarowicz@hibbingmn.gov

Phone: 218.403.7570

Fax: 218.263.4020

Hibbing Fire Department.
2320 Brooklyn Drive
Hibbing, MN 55746

Part 3: Hosting “Nozzle Forward” instructed by Assistant Chief Aaron Fields of Camano Island Fire & Rescue

- Nationally renowned fire training program that focuses on hose line management and interior offensive fire attack.
- Lake Superior College (LSC) to handle registration and cost of class
- Hibbing, Duluth, LSC to provide AV equipment, pumping apparatus, hose/fittings
- LSC currently working on contract to send HEDA
- October 6th and 7th 2026

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

HIBBING ECONOMIC DEVELOPMENT AUTHORITY
ST. LOUIS COUNTY
STATE OF MINNESOTA

RESOLUTION NO. 26-05-02

RESOLUTION AUTHORIZING THE HIBBING ECONOMIC DEVELOPMENT
AUTHORITY TO MAKE AN APPLICATION TO AND ACCEPT FUNDS
FROM THE DEPT. OF IRON RANGE RESOURCES & REHABILITATION
DEVELOPMENT PARTNERSHIP GRANT PROGRAM

WHEREAS Hibbing's Downtown serves as the central core of civic life and plays a primary role in shaping the character of the community and, given the unique situation of the city being surrounded by mining lands, the traditional downtown area represents a significant opportunity for community evolution and growth; and

WHEREAS a 2022 downtown business survey was conducted by the Hibbing Chamber of Commerce's Business Retention and Expansion (BR&E) committee which identified key opportunities for improvement including incentivizing building improvements and redevelopment of vacant properties and improving the overall appearance and functionality of the downtown district; and

WHEREAS a building survey was conducted in early 2023 by the Hibbing Economic Development Authority (HEDA) in collaboration with inspectors from Arrowhead Economic Opportunity Agency (AEOA) which found that over forty percent of the buildings in the focus district are substandard or dilapidated; and

WHEREAS the Hibbing Economic Development Authority (HEDA) is the body within the City of Hibbing who will define and implement programs that support downtown redevelopment, business development, and property reinvestment; and

WHEREAS the 2026 City of Hibbing Strategic Plan Update identifies economic development, redevelopment, housing expansion, and the pursuit of outside funding as top priorities, including goals to create additional diverse housing options, attract redevelopment to key commercial areas, strengthen the regional retail draw, and return underutilized properties to the tax base; and

WHEREAS the Strategic Plan further emphasizes strengthening Hibbing as a diverse and vibrant economic hub, improving quality of life, and supporting long-term community sustainability through reinvestment, partnerships, and workforce and business development; and

WHEREAS in 2023 HEDA implemented the Hibbing Redevelopment Deferred Loan Program with assistance from the Dept. of Iron Range Resources & Rehabilitation Development Partnership Grant Program to combat building deterioration and blight, strengthen the local business environment, improve accessibility, and stimulate reinvestment in the Hibbing Focus District; and

WHEREAS the program successfully deployed the full \$250,000 IRRR allocation along with \$265,060.93 in HEDA funds and leveraged a total project investment of \$3,799,664.80, including approximately \$2,638,283 in private investment; and WHEREAS the program achieved a leverage ratio of approximately 7:1, meaning that every \$1 of program funding generated approximately \$7 in outside capital investment; and

WHEREAS as of November 2025 the program has supported eleven commercial rehabilitation projects including roofing, HVAC upgrades, ADA accessibility improvements, interior modernization, exterior preservation, and multi-parcel redevelopment; and

WHEREAS the program has resulted in measurable economic impact including 36 new jobs created, 67 jobs retained, and an estimated \$516,297 increase in property market value, strengthening the local tax base and economic vitality; and

WHEREAS HEDA desires to continue and expand this program to assist property owners to address building code violations, complete exterior building improvements, mitigate health and safety deficiencies, improve accessibility for disabled individuals, increase energy efficiencies, redevelop vacant, blighted, and underutilized buildings and lots, and support housing development above commercial spaces; and

WHEREAS HEDA further desires to prioritize locally owned businesses and owner-occupied commercial properties while continuing to support broader downtown revitalization and economic development; and

WHEREAS HEDA approves of the application for Development Partnership Grant funds from the Dept. of IRRR to assist in funding this program; and

WHEREAS HEDA agrees to accept funding for the underlying project if approved by the Dept. of IRRR; and

WHEREAS HEDA has designated \$250,000 of the authority's fund balance towards this program..

NOW BE IT RESOLVED that the authorizing authority of the Hibbing Economic Development Authority does adopt this resolution.

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

FOR:

AGAINST:

ABSTAIN:

ABSENT:

Adopted this 5th day of May, 2026.

HIBBING ECONOMIC DEVELOPMENT AUTHORITY

Steven Jurenes, President

Sheena Mulner, Deputy Clerk

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

HIBBING ECONOMIC DEVELOPMENT AUTHORITY
ST. LOUIS COUNTY
STATE OF MINNESOTA

RESOLUTION NO. 26-05-04

RESOLUTION REPURPOSING AND TRANSFERRING FUNDS
TO SUPPORT THE HEDA DEFERRED LOAN PROGRAM

WHEREAS Hibbing's Downtown and commercial districts serve as key drivers of economic activity, community identity and long-term tax base stability; and

WHEREAS a review of local conditions has identified a significant number of commercial structures in need of reinvestment, including properties that are underutilized, deteriorating or functionally obsolete; and

WHEREAS the Hibbing Economic Development Authority (HEDA) is the body within the City of Hibbing responsible for implementing programs that support redevelopment, business development and property reinvestment; and

WHEREAS in 2023 HEDA implemented the Hibbing Redevelopment Deferred Loan Program to address building deterioration, support private reinvestment and improve the overall economic vitality of the community; and

WHEREAS the program has demonstrated measurable success, including the full deployment of prior funding and the leveraging of significant private investment relative to public dollars; and

WHEREAS the program has contributed to increased property values, job creation and retention, improved building conditions and the strengthening of the local tax base; and
WHEREAS the 2026 City of Hibbing Strategic Plan Update identifies economic development, redevelopment, housing expansion and the pursuit of outside funding as priority areas; and

WHEREAS continuation and expansion of the Deferred Loan Program directly supports these priorities by enabling reinvestment, leveraging additional funding sources and addressing identified community needs; and

WHEREAS HEDA desires to repurpose the available balance from Fund 420 and transfer such funds into Fund 422 to be used as matching funds for the Deferred Loan Program; and

WHEREAS HEDA further desires to transfer funds from the designated cash balance of Fund 255 into Fund 422 in an amount necessary to establish a total of \$250,000 in Fund 422 to be used as the local match for the Department of Iron Range Resources & Rehabilitation Development Partnership Grant Program; and

WHEREAS the Board of Commissioners finds that the repurposing and transfer of such funds will position HEDA to continue leveraging outside funding, support additional redevelopment projects and advance the economic development objectives of the City of Hibbing.

NOW BE IT RESOLVED that the authorizing authority of the Hibbing Economic Development Authority does adopt this resolution.

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

FOR:

AGAINST:

ABSTAIN:

ABSENT:

Adopted this 5th day of May, 2026.

HIBBING ECONOMIC DEVELOPMENT AUTHORITY

Steven Jurenes, President

Sheena Mulner, Deputy Clerk

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

HIBBING ECONOMIC DEVELOPMENT AUTHORITY
ST. LOUIS COUNTY
STATE OF MINNESOTA

RESOLUTION NO. 26-05-03

RESOLUTION AUTHORIZING THE HIBBING ECONOMIC DEVELOPMENT AUTHORITY TO MAKE APPLICATION TO AND ACCEPT FUNDS FROM THE DEPARTMENT OF IRON RANGE RESOURCES AND REHABILITATION DEVELOPMENT PARTNERSHIP GRANT PROGRAM FOR ELIGIBLE THIRD-PARTY PREDEVELOPMENT COSTS FOR THE REBOUND PARTNERS IRON EXCHANGE AT 400 PROJECT

WHEREAS, the Hibbing Economic Development Authority (“HEDA”) is authorized pursuant to Minnesota law to promote economic development and redevelopment within the City of Hibbing; and

WHEREAS, the proposed Iron Exchange at 400 project supports and advances the City of Hibbing’s 2026 Strategic Plan, including ongoing redevelopment efforts in the 400 Block / Howard Street area, as well as broader goals related to economic development, creation of diverse housing opportunities, and the pursuit of outside funding partnerships; and

WHEREAS, Rebound Partners has been selected by HEDA as the developer for the proposed “Iron Exchange at 400” project located on the 400 Block of East Howard Street in Hibbing, Minnesota; and

WHEREAS, the proposed project consists of a mixed-use workforce housing development including residential and commercial space, contributing to the economic vitality and housing availability within the City; and

WHEREAS, Rebound Partners submitted a predevelopment funding request including architectural, engineering, and development management costs necessary to advance the project to a construction-ready state; and

WHEREAS, the architectural and schematic design portion of such request represents third-party professional services necessary to advance the project; and

WHEREAS, the HEDA Board intends that its participation in this request be limited to certain eligible third-party costs and not include development management or other internal developer expenses; and

WHEREAS, HEDA desires to apply for funding from the Minnesota Department of Iron Range Resources and Rehabilitation (“IRRR”) Development Partnership Grant Program for eligible third-party costs associated with the project; and

WHEREAS, HEDA anticipates that, if such IRRR funding is awarded, it may provide limited interim financing for eligible third-party costs under its Revolving Loan Fund (RLF) program, subject to conditions and repayment from project financing at closing; and

WHEREAS, HEDA finds that supporting necessary third-party predevelopment services under these terms is in the best interests of the City of Hibbing and furthers HEDA’s economic development mission.

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

1. Application for IRRR Funding.

HEDA is hereby authorized to prepare, submit, and execute an application to the Minnesota Department of Iron Range Resources and Rehabilitation Development Partnership Grant Program for funding assistance for eligible third-party predevelopment costs associated with the Iron Exchange at 400 project.

2. Acceptance of Grant Funds.

HEDA is authorized to accept grant funds from IRRR, if awarded, and to execute any agreements necessary to receive and administer such funds.

3. Future Consideration of Predevelopment Loan.

In the event IRRR funding is awarded, HEDA will consider approval of a loan for eligible third-party costs under its Revolving Loan Fund program, subject to approval by the Board and consistent with applicable policies and terms at that time.

4. Potential Loan Parameters.

Any such loan, if approved by the Board, is anticipated to:

- Be limited to eligible third-party costs
- Be contingent upon IRRR participation
- Exclude developer fees, development management costs, and other internal costs
- Include terms consistent with HEDA’s Revolving Loan Fund, including interest, term, and repayment from project financing at closing

5. Administrative Authority.

HEDA staff are authorized to take all actions necessary to prepare the IRRR application and to bring forward any future funding or loan requests for Board consideration.

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

FOR:
AGAINST:

ABSTAIN:

ABSENT:

Adopted this 5th day of May, 2026.

HIBBING ECONOMIC DEVELOPMENT AUTHORITY

Steven Jurenes, President

Sheena Mulner, Deputy Clerk



Hibbing Economic Development Authority

AMGS Working Capital Loan Write Up

Eligibility within the framework of the revolving loan fund plan:

The proposed loan qualifies under HEDA guidelines as working capital financing in support of business retention and expansion. AMGS is an established Hibbing-based manufacturer, and the request represents gap financing to address a temporary liquidity need while supporting continued operations, job retention, and ongoing organic growth.

Overall economic benefits of the proposed project:

Advanced Machine Guarding Solutions is a growing local manufacturer employing approximately 22 individuals. The project retains 22 existing jobs, supports continued job growth, sustains a locally expanding manufacturing operation, and maintains and strengthens the City's industrial tax base. The loan supports continued organic growth following significant capital investment and provides short-term stabilization, allowing the company to continue production and capture new business as market conditions improve.

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

As of March 30, 2026, AMGS reports total assets of approximately \$2.17 million, including accounts receivable of approximately \$200,437 and inventory of approximately \$80,000, with a negative cash position of approximately \$6,489. The company has invested over \$2.2 million in machinery and equipment, demonstrating substantial commitment to long-term production capacity and growth. Leverage is elevated but tied to productive assets, and receivables support near-term liquidity with working capital assistance.

Analysis of repayment ability:

AMGS generated approximately \$1.8 million in revenue and \$313,327 in net income in 2025. A temporary downturn in late 2025 and early 2026, driven by external tariff impacts, resulted in reduced revenue and a year-to-date loss of approximately \$166,989. Despite this, gross margins remain positive, sales activity is recovering, and management has implemented cost controls and lender accommodations.

Repayment is anticipated by year-end 2026, contingent upon securing additional capital investment; otherwise, the balance will be incorporated into the existing working capital loan amortization schedule.

Management skill of the applicant:

Management has demonstrated the ability to grow the company organically while navigating market volatility. Actions taken include reduction of ownership compensation by over 40%, retention of full workforce, and coordination with lenders to manage short-term obligations. Management capacity and commitment to long-term growth are strong.

Collateral offered and lien position:

The loan will be structured in accordance with HEDA guidelines, generally in a subordinate position and supported by personal guarantees.

Staff Recommended Loan Terms:



Hibbing Economic Development Authority AMGS Working Capital Loan Write Up

Loan Amount: \$150,000
Interest Rate: 3.0% fixed
Term: Up to 5 years (structured as short-term bridge)
Security: Subordinate lien and personal guarantees
Conditions:
- Financial reporting
- Verification taxes/utilities current
- Proof of insurance

Summary:

Staff recommends approval of a \$150,000 HEDA working capital loan to Advanced Machine Guarding Solutions. AMGS is a growing local manufacturer experiencing a temporary liquidity constraint, not a fundamentally impaired business model. The company has demonstrated strong organic growth, significant reinvestment in equipment and facilities, and a clear path to continued expansion.

The project supports organic business growth, retains and grows quality jobs, sustains and expands the local tax base, and provides gap financing to bridge short-term capital needs.



Hibbing Economic Development Authority Rebound Predevelopment Loan Write Up

Eligibility within the framework of the revolving loan fund plan:

Priority — Investment in new construction, redevelopment, and expansion of commercial and residential real estate.

The proposed loan supports third-party architectural and engineering services necessary to advance a mixed-use redevelopment project on the 400 Block of East Howard Street.

While predevelopment costs are not a typical standalone use, these activities are directly tied to an eligible real estate development project and are required to move the project to construction readiness. Eligible uses are limited to third-party costs and exclude developer internal expenses.

The project aligns with HEDA Revolving Loan Fund objectives to support downtown reinvestment, expand housing and commercial activity, and strengthen the local tax base.

Overall economic benefits of the proposed project:

The project represents a significant downtown redevelopment effort that will activate underutilized and blighted properties, introduce new commercial space and economic activity, expand housing opportunities, and support long-term tax base growth.

Predevelopment funding is necessary to complete design and engineering work required to secure full project financing. Without public participation at this stage, the project is unlikely to advance to closing, as private financing sources typically do not fund early-stage predevelopment risk.

Balance of project funding and leveraging:

Total predevelopment budget: \$276,000

Eligible third-party costs: \$166,000

Funding structure includes HEDA Revolving Loan Fund participation, anticipated participation from IRRR and other public funding sources, and developer-funded internal predevelopment costs.

Given the early-stage nature of the project, traditional private leverage is not available at this phase. Public participation is required to advance the project to a stage where private financing can be secured.

Analysis of repayment ability:

Repayment is based on project capitalization at financial closing.

Primary repayment source: construction financing and/or capital stack proceeds.

Financial closing anticipated: December 2026.

The loan will require no principal or interest payments during predevelopment and will be repaid in full at financial closing.



Hibbing Economic Development Authority Rebound Predevelopment Loan Write Up

Management skill of the applicant:

Rebound Partners has been selected by HEDA as the developer and has engaged qualified architectural and engineering professionals.

The development team is actively advancing project design, budgeting, and financing necessary to move the project toward construction.

Collateral offered and lien position:

Due to the predevelopment nature of the loan, traditional collateral is limited.

Security will include a personal guarantee from the developer principal(s) and assignment of project-related documents and development rights.

Loan terms:

Loan Amount: Up to a maximum of \$83,000, or matching the amount from external funding partners, excluding Rebounds contributions for internal costs

Interest Rate: 3.0% fixed

Term: Through financial closing (anticipated December 2026)

Payment: No scheduled payments during predevelopment

Repayment: Balloon payment due at financial closing

Security: Personal guarantee and assignment of project-related documents

Disbursement: Reimbursement basis for eligible third-party costs

Conditions:

- Maintenance of an active Predevelopment Agreement and good-faith advancement toward a mutually executed Development Agreement
- Verification of eligible third-party expenses
- Demonstrated project progress
- Coordination with IRRR and other funding partners
- Compliance with HEDA loan program requirements

Summary:

Staff presents for consideration a HEDA Revolving Loan Fund participation of up to \$166,000 to support eligible predevelopment costs for the Iron Exchange at 400 project, contingent upon participation from IRRR and/or other funding partners.

The project meets HEDA Revolving Loan Fund objectives by advancing a significant downtown redevelopment effort, leveraging future investment, and addressing predevelopment barriers that cannot be financed through conventional sources.