HIBBING ECONOMIC DEVELOPMENT AUTHORITY
Regular Meeting
Tuesday, June 2, 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
City Clerk Candie Seppala

Members may participate through remote technology

I. CALL TO ORDER:

II. ADDS AND DELETES:

III. APPROVAL OF THE AGENDA:

1. Modify
2. Add

IV. APPROVAL OF MINUTES:

1. Approve the Minutes of the Hibbing Economic Development Authority Meeting of May 5, 2026

V. CONSENT AGENDA:

1. Affirm the Economic Development Loan Fund account balance as of May 31, 2026 in the amount of $1,668,603.28
2. Approve disbursements for the month of May in the amount of $341,485.39
    1. Fund 250 (HEDA ED/Rev Ln Fd) - $214,234.50
    2. Fund 255 (HEDA General Fd) - $28,303.91
    3. Fund 392 (TIF#12 DS Fd) - $0
    4. Fund 418 (Downtown Capital Prjt Fd) - $98,946.98
    5. Fund 440 (Tax Abatement Prjt Fd) - $0
    6. Fund 422 (Deferred Loan Fund) - $0
    7. Fund 610 (HEDA – AMGS) - $0

VI. PRESENTATIONS:

1. Iron Exchange at 400 - Rebound Partners

VII. DEPARTMENT AND COMMITTEE REPORTS:

1. **City Administrator Greg Pruszinske**

    a. 400 Block Redevelopment Project: Change Order #4

    b. Consider an extension of the Predevelopment Agreement with Rebound to December 31, 2026.

2. **Finance Director-Treasurer Sheena Mulner**

    a. HEDA Loan Balances

3. **City Attorney Andy Borland**

    a. Advise the HEDA Board on John Carpenter Property at 1000 Greyhound BLVD now that agreement milestones have been missed.

VIII. LOAN REQUESTS:

IX. DISCUSSION ITEMS:

X. ADJOURNMENT:

THE MINUTES OF THE REGULAR AND WORKSHOP MEETING OF THE HIBBING ECONOMIC DEVELOPMENT AUTHORITY
May 5, 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 and Community Development Director Betsy Olivanti. City Administrator Greg Pruszinske was absent.

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

II. **ADD AND DELETES:** None

III. **APPROVAL OF AGENDA:**
Hyduke supported by Cameron motioned to approve the agenda. Motion carried.

IV. **APPROVAL OF MINUTES:**
Cameron supported by Egan motioned to approve the minutes of the Hibbing Economic Development Authority Meeting of April 16, 2026. Motion carried.

V. **CONSENT AGENDA:**
Hoffman Saccoman supported by Schweiberger motioned to approve the consent agenda as read and published. Motion carried.

1. Affirm the Economic Development Loan Fund account balance as of April 30, 2026, in the amount of $1,82806,364.41

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 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.

   Letter read by Olivanti on behalf of President Jason Wobbema of AMGS: states they could not predict the damage the tariffs would do to our industry that were put in place in the spring 2025. From September 2025 to March 2026, they lost about 50 percent of revenue due to our customers slowing down. Now the tariffs are working in AMGS's favor, and they have been able to grow their customer list as the industry is still recovering from a lack of capital spent in 2025 and 2026. During this downturn, the management team cut its pay by more than 40 percent to make sure they didn't lay off any key employees. The loan would be used as working capital to ensure that they can survive the next three months as they figure out how to bring in larger working capital needs to grow their business. They currently have been on an interest-only for their equipment loans with Park State Bank, deed and the IRR, which has helped them survive the last three months. They foresee being able to pay back this loan within three to four months.

   No additional comments

   Hyduke supported by Cameron motioned to close the public hearing. Motion carried.

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.

   Mike Kappers of Rebound Partners LLC provided update of project. Schematics updated and completed to reflect 4 floors with 60 or 80 units, put the project out to bid with seven general contractors and anticipating the bids to come back in a couple weeks, then underwriting. Brett Reese of Rebound was also available online.

   Egan voiced his concerns over no underground parking, less apartments and the costs of backfilling following demolition. His concern is the amount of changes.

Kappers explained that changes were necessary due to the construction costs and the pro forma, which showed what the rents would have to be. The original financial gap with the original design was too big.

Egan cited how demolition is already behind and mentioned what Rebound is dealing with in Southern Minnesota. He does not want to be put in the situation where money is spent – including another $276,000 – toward a project that won't come to fruition due to not enough finances to fill the gap.

Kappers noted that when initially proposed in July 2025, the project was estimated at just under $25 million. That number could get closer to $13 to $14 million in hard costs, and the goal is to save money to lessen the gap – which is now around the $5 to $6 million range (not the $8.43 million as discussed in past presentations).

Egan reiterated that he does want more surprises. Kappers replied that they continue to work in the right direction, through the issues and will continue to do so, so there will be good surprises ahead.

Hoffman Saccoman asked about the status of finding funders for the gap financing and what is underneath the buildings. Olivanti confirmed that each building has a basement and what will be done with them could be answered by Dore later in the meeting.

Kappers stated that have a funders meeting set up for May 26, at which time they will have the new general contractor bids back.

Hyduke asked if there could be more retail/commercial space than the current estimate of 2,800 square feet in the NE corner. He stressed it's important to have retail on corners. He also confirmed whether Max Gray is the current general contractor, to which Kappers affirmed after restating that they have put the project out to seven firms for bids. He went on to explain how estimates from May Gray were about $255 a square foot, which makes it difficult for the project to work. A couple other estimates came in lower, he added.

Egan mention concerns about parking once again, with the increase in retail. Kapper said they are eyeing about 2,800 square feet for a restaurant/brewery type of operation and about 2,000 for shared office space – but nothing is set in stone yet. This is about 4,500 square feet to work with. He encouraged members to let him know if they know a business that would be interested in the space.

In terms of parking spaces, 27 will be covered parking and the remainder of the 73 total will be street level outside. Spaces would likely go to whomever rents them.

Cameron asked why the existing basement space can't be turned into underground parking. Kappers stated that it is a cost issue, estimating that would be about $5 million or so more.

Cameron asked how they plan to figure out the gap funding. Kappers again noted the May 26th meeting with various agencies and city representatives. It was asked if more would be known about commitments to assist with the gap funding by the next HEDA meeting on June 2, to which Kappers said that it would be difficult to know by then, but they'd at least know more.

Hoffman Saccoman said she's all for economic development but is uncomfortable sitting on a $6 million gap and a request for $276,000 in pre-development funds. The current pre-development contract with Rebound is through the end of July, noted Olivanti. The next step – with this funding and gap financiers – would turn into a development agreement in August.

Hoffman Saccoman suggested holding off action until June 2, to which Skalski stated he doubted the gap financing would be known by then based on his professional experience. Skalski added that until the capital financing and the regular financing come through, the $276,000 in pre-development funds would be a lot of money for the city to put up.

Olivanti noted that later in the agenda is a resolution to seek funding from the IRRR, and the loan write up talks only about if the IRRR approves. She asked Attorney Borland if they could table it to a later meeting or could they approve pending IRR funding. Borland answered that they could do either or could consider just striking it. Not taking any action would not obligate HEDA to take it up at the June 2 meeting.

Olivanti stated that the loan was put together with the finance committee's input -- it's either taken out with the financing for the project itself or negotiated with Rebound as a loan. Egan said he wanted to clarify who was responsible for the loan if the project does not come to fruition. Kappers stated it's not free money and would come out of the closing once closed, adding we totally anticipate getting this project to the finish line.

Hyduke questioned the timeline moving forward. Kappers reiterated that the bids from general contractors are due back in two weeks. Hyduke said that will be key information as to whether the project moves forward. He noted the city is about $1.2 million into the project with demolition. He asked what will be in those numbers, are there contingencies and whether HEDA members could see those numbers before authorizing any additional funding moving forward.

Hyduke also inquired about whether a PLA is part of it. Kappers said prevailing wage does not apply to private development.

Reese of Rebound jumped into the discussion via technology. While recapping the events to date, he stressed the initial financing gap of $8 million and how they've continued to work to reduce it. The gap needs to be worked on together, and milestones are critical each month to continue to move forward. He told HEDA members they could pause or pull back; however, they are committed to moving it forward and hope to continue the partnership.

Hyduke said he wants to see how the numbers come in – as many numbers as they can to help make decisions. Reese called Hyduke's request reasonable.

Egan mentioned parking concerns again, adding he agrees with Hyduke and would like to see some type of financial statement that tells HEDA where the money is coming from, what money they (Rebound) have, and what the gap financing will be. He'd also like to know what the $276,000 would be used for.

Hoffman Saccoman asked how a funder's meeting works. Reese said they present the story/history of this site, where the project sits today, the hurdles, etc. He added that underground parking is likely out due to costs. They will also share where and what the sources, the uses, the costs and then the operating performance – plus what this project needs in terms of gap financing.

The current schematics will be used for the presentation. They were also used for the RFPs to general contractors.

Cameron asked whether the alley would remain and more specifics on parking. During discussion it was determined that the alley will remain and house the 46 surface parking spots. Olivanti noted that nothing has been planned for the schematic design by the developer that goes outside of the block itself. Cameron said her point was that eliminating the alley would allow for additional parking.

Hyduke said it bothers him how retail square footage decreased from about 17,000 to 4,500 due to the removal of underground parking, and asked Reese about increasing the square footage for retail/commercial, possibly putting a business in the northwest corner as well. What would be the cost difference? Kappers said they could have the architect look at that, but every time they do a change or iterations it costs more money. Reese said he agrees with the concept of vibrant downtowns and will run numbers to see if they put more commercial back in.

Jurenes asked if there would be a cost savings in doing a flat façade rather than the bump outs of the current schematic. Reese said it's a good question and they will ask the architects.

Schweiberger said he feels this is a bait and switch deal given all of the changes/reductions. He feels this area and project are important and wants to ensure it's done right. He's also does not support the request for the pre-development funds right now. Schweiberger then questioned a comment made by Reese in a prior meeting about the bid of the project's initial architect being double what the current architect contract had bid for the exact same project. Reese said the project put out for architects to bid was of the same scope, and the bid from the original architect was twice the amount of the second one.

Hoffman Saccoman said she was surprised that the architect who had initially presented the project had changed. Reese said no contract was signed with the original architect.

Hyduke wanted further clarification, asking whether it was based on their cost per square foot to do the project or the architectural fees to do the project. Reese replied that back in July 2025 they had a $24 million cost, which is similar to now. He believes it was apples to apples when they had gotten quotes from the architectural firm. They base it on the scope/size of the project not the cost, adding the scope of the work has not changed just the cost has changed. It was similar, but they'd be willing to dig further and report back, if desired. He also stated they awarded the bid for a flat fee, not a percentage.

Egan confirmed that Max Gray is anticipated to be one of the seven bidders, and asked if the other bids are close would they go with a local contractor. Kappers said absolutely, adding they are focused on getting the numbers to work so there is a project.

No additional comments

Egan supported by Hyduke motioned to close the public hearing. Motion carried.

VII. PRESENTATIONS:

1. 400 Block Demo Update – Scott Cianek, Dore Project Manager

Egan asked if asbestos removal was done? No. On April 20, they found additional asbestos, but it didn't fall under the threshold that we had to notify the state to do that work, so they got that amount taken care of. On April 23, they found some additional asbestos in the 402 and 416 buildings. The asbestos survey company returned and tested the materials. No report yet on quantities, but it's believed to over the threshold to notify the state and wait 10 days to do work. Egan commented that whoever did the original inspection didn't do a very good job because they're missing half of what the asbestos that were in those buildings. Unfortunately, just today discovered some more in the 412 building.

Hoffman Saccoman asked where the status of change orders? No quantities available yet, said Cianek. Olivanti said they are on change order No. 3, which included the prior asbestos amount. It was roughly $840-some thousand dollars. HEDA has about $35,000 left in the original bid amount for asbestos after everything has been billed out so far by the subcontractor. That's what they're working with to see how much more asbestos is in there and how much can be cleaned up with that remainder in the budget.

Hyduke said this is not reflective on the abatement contractor, but the ones who did the survey are the ones who missed the boat.

Noting how the project is behind schedule, Egan asked if the fence could be moved back to allow for parade-goers to sit there during Jubilee. Cianek said yes, adding he hopes to be done by then.

Hyduke said the backfill is a concern too. Cianek said they will start demo with the jewelry store first and as that one comes down, move on to the next one, They'll start filling that hole immediately.

Olivanti pointed out that power has been cut to the cross signal at 5th and Howard and replaced with stop signs. Power had to be cut to prepare for the demo. The parking and traffic study recently conducted will go before the council in June. This move is part of the phasing of the changes in traffic flow downtown. To restore power to that intersection would require city council and/or HEDA action and would be costly. Hyduke noted that Highway 169 used to go through town, so that was the reason for stoplights instead of stop signs.

2. Jefferson Redevelopment Site Proposal – Ryan Nelson, CEO of Vision Inc.

Project initially started out as a reuse of the building but is no longer the best use for the site. The plan then became to redevelop the site, as in, take the building down and have potential for one building and maybe another building. Nelson presented a high-level concept summary to introduce a potential 75-unit multifamily residential development on the city owned property located at 2810 Diane Lane.

The identified site is large enough to support a 75-unit phase one building with the potential opportunity for a future phase two. This would be a public private partnership that includes a land contribution, I triple R. Grant participation and local TIF or TAF support.

Vision Inc is a regional multifamily developer focused on delivering high quality workforce and market rate rental housing, particularly in communities underserved by the conventional development market. They specialize in partnering with local governments to combine local resources, state grants, regional funding programs and dedicated private capital to create viable developments. After the development, they own and operate the buildings that they deliver. They are just finishing a 50-units of market rate housing apartment building with attached heated parking facility in Superior. Another project was in Ashland, Wis., and also in pre-development stages with an apartment building in Two Harbors. Vision builds in northern Wisconsin and Minnesota -- not in metro markets that already have ample capital and opportunities. Projects are sized and underwritten, and they have the proven track record for public and private partnerships.

Next steps would be to confirm with the city and HEDA that there is an interest in pursuing a partnership with Vision for development, executed non-binding letter of interest or MOU outlining the parties' intent to work together. Vision defines the pro forma and the unit program with input from the city and HEDA.

Questions arose about screening and timelines, concerns about increased traffic in the area, egresses and connection to Highway 169.

Olivanti said the city/HEDA has done all of the work to get to the point of applying for the demo on August 1, but we didn't have a developer that the EDA could send in as part of that grant application. DEED only accepts grant applications for demolition, if you have a project in hand. If HEDA chooses to work with Vision, she'd then contact our grant writer to move this forward.

City/HEDA investment to date is the purchase price of $405,000 or $410,000 for the 10.3 acres.

Members asked questions about occupancy rates at Vision's other properties, possible rent levels and garage rentals. Nelson spoke about current housing preferences.

Egan inquired if the project would be TIF eligible. Olivanti replied in the affirmative, and explained what TIF is. She asked HEDA members to provide her direction following the meeting to possible bring back the matter for the June meeting.

3. HFD Training at Jefferson School Redevelopment Site – HFD Capt. Jake Woinarowicz

Thanked HEDA members for use of the 400 block buildings for training last fall. Presented a three-part plan for three to four training at the Jefferson School prior to demolition. Would be led by HFD and mutual aid partners would be invited to participate.

Part ONE -- First: Search and rescue of smaller rooms and hallways. Second: window-initiated search training. Third: vertical ventilation training. Four: forcible entry/exit drill. These trainings help Hibbing firefighters and other firefighters in the area be better prepared for our citizens while allowing a chance to foster and maintain our relationships with each other.

Part TWO -- informal daily crew training

Part THREE – host a Nozzle Forward Class (focuses on hose line management and flowing water effectively in buildings). Would be an open registration class that could hold 60-65 students. Would be coordinated though Lake Superior College. Potentially Oct 6 & 7, 2026. Firefighters will develop and refine an aggressive offensive approach to fire suppression, resulting in more rapid-fire control and more positive, improved outcomes for potential victims in fires. This highly sought-after course would attract participants from across the state who would contribute to the local economy and give HFD the opportunity to showcase all that Hibbing has to offer.

HEDA members spoke in favor of the training. City attorney and finance director to determine details on contract and insurance. Wants the community to be notified.

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.

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

b. Consider and take action on Resolution 26-05-04 Repurposing and Transferring Funds to Support the HED Deferred Loan Program.

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

c. Consider taking 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.

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

2. Finance Director Sheena Mulner

a. HEDA Loan Balances

Update:

- Held a Zoom trial for Arrowhead Motorcycles. Two loans that have outstanding balances. Moving forward with a judgment on that.
- Iron Range Management on that 1924th Avenue East is set to start demolition this week.
- Yoder building Supplies has made draws up to almost the full $250,000. Just a couple of hundred dollars left to draw.
- Loan documents for both Buljana Investments and Grant Homes have been executed. Just waiting for projects to start and for invoices to be submitted for reimbursement.
- Balances:
    - Revolving Loan Fund 250: just under $1.5 million
    - Fund 420: $230,985 (committed for a match)
    - Fund 422 Deferred Loan Program: did have just under $6,000 of interest income from last year, so could use that as an offset to the grant match as well.

3. **City Attorney Andy Borland**

No report

IX. LOAN REQUESTS

1. Consider and take action on the bridge loan request for $150,000 in working capital for AMGS per the writeup in the HEDA packet.

Hyduke supported by Hoffman Saccoman to approve the request. Motion passed 5 to 2 with Member Cameron and Member Egan opposing.

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

Egan asked Rebound if they were not approved for the pre-development funds, would that kill the project? Reese said it'd be best to delay until costs come in and there is more alignment on the project. Hoffman Saccoman supported by Egan motioned to delete the item from the agenda. Members thanked Rebound for being present and for listening to their concerns. Egan said he wants to see the project go, and wants it done right and in the best interest of the public. Reese reiterated that the project needs to be fully defined so they can take it to investors/banks. Motion carried.

X. DISCUSSION ITEMS:

1. HEDA Strategic Planning

Olivanti said this was mentioned in the Finance Committee meeting to take the city's 2026 strategic plan, look at the items that come into the EDA's purview and consider aligning the EDA's work and work priorities and focus on some of those strategic plans/goals of the city.

Olivanti also announced she will be leaving the city, adding that she and leadership are leaving current projects set up well to move forward.

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 **7:06 p.m.** Motion carried.

________________________________ ________________________________

President Steve Jurenes — Deputy Clerk/Finance Director Sheena Mulner


IRON EXCHANGE AT 400
ARCHITECTURE
ADVANTAGE

City of Hibbing

CHANGE ORDER

Contractor: Dore & Associates

Change Order No.: 4

Address: 900 Harry Truman Parkway
Bay City, MI 48706

Project: 400 Block Demolition Project

---

1. Additional asbestos was found in buildings 402, 410, and 416.
2. The change order includes the removal of additional asbestos within the listed buildings.

Total Change Order No. 4	$ 16,599.00
Original Contract Completion	180 Days
Contract Time Change for Change Order No. 4	28 Days (Add)
Contract Time Change for Change Order No. 3	21 Days (Add)
Contract Time Change for Change Order No. 2	14 Days (Add)
Contract Time Change for Change Order No. 1	60 Days (Add)
New Contract Completion	303 Days

Received by:

Dore & Associates
Contractor

Printed Name: Edward Dore, Treasurer

Signature:

Date: 5/19/24

Issued by:

Hibbing City Engineer

Date: 5/19/26

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	
HEDA Add'l funds 06/02/2026	$ 16,599		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	Plus 2 weeks to the schedule
			ECO#3	$ 46,575.00	Plus 3 weeks to the schedule
			ECO#4	$ 16,599.00	Plus 4 weeks to the schedule
Totals	$ 753,114		Total	$ 753,114.00	

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