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

Betsy Olivanti

Community Development Dir. Betsy Olivanti