HIBBING ECONOMIC DEVELOPMENT AUTHORITY
Special Meeting
Monday, September 14, 2026
8:00 AM

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 Stephanie Skraba

Members may participate through remote technology

I. CALL TO ORDER:

II. APPROVAL OF THE AGENDA:

III. DISCUSSION ITEMS:

1. Offer RESOLUTION 26-09-05 TO MAKE APPLICATION TO AND TO ACCEPT FUNDS FROM THE DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT (DEED) FOR THE JEFFERSON SCHOOL SITE

2. Offer RESOLUTION 26-09-06 COMMITTING THE LOCAL MATCH AND AUTHORIZING CONTRACT SIGNATURES RELATIVE TO FUNDS FROM THE DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT FOR THE JEFFERSON SCHOOL SITE

IV. ADJOURNMENT:

At the Special Hibbing Economic Development Authority (HEDA) meeting held September 14, 2026, at 8 am in the Hibbing City Council Chambers, HEDA Member ____________ introduced the following Resolution and moved its adoption:

CITY OF HIBBING
STATE OF MINNESOTA
SAINT LOUIS COUNTY

RESOLUTION NO. 2026-09-05

RESOLUTION AUTHORIZING THE HIBBING ECONOMIC DEVELOPMENT AUTHORITY (HEDA) OF THE CITY OF HIBBING TO MAKE APPLICATION TO AND ACCEPT FUNDS FROM DEPARTMENT OF EMPLOYMENT & ECONOMIC DEVELOPMENT (DEED)

WHEREAS HEDA approves of the attached application for the housing project: and

NOW BE IT RESOLVED that HEDA has approved the Redevelopment Grant application submitted to the Department of Employment and Economic Development (DEED) September 14, 2026, HEDA for the Jefferson School site.

NOW BE IT RESOLVED that HEDA does adopt this resolution.

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

FOR ADOPTION:

AGAINST ADOPTION:

ABSTAINING:

ABSENT:

Passed and adopted this 14th day of September, 2026.

HEDA

____
President Steve Jurenes

ATTEST:

____
Candie Seppala, City Clerk/Deputy Administrator

Redevelopment Grant Application Submittal Checklist

Logistics

☐	One complete paper copy (complete copies include all attachments)
☐	Two complete electronic copies (i.e., one flash drive, emailed applications will not be accepted)
☐	All the above submitted to DEED by 4:00 p.m. on August 1

Application Form Content

☒	Applicant Information Cover Page
☒	I. Site Identification and History
☐	II. Cost Analysis: Redevelopment Sources and Uses (Budget Table) and Construction Sources and Uses
☐	III. Tax Increment Financing (TIF) Analysis
☒	IV. Analysis of Redevelopment Potential
☒	V. Project Schedule
☒	VI. Payment Information (Applicant’s State SWIFT Vendor Number, Location Code, and Address)
☐	VII. Resolutions (Statutory Cities must authorize Mayor and Clerk)
☐	VIII. Applicant Disclosures and Certifications (Conflict of Interest and Pre-Award Risk Assessment)

Application Attachments

☐	Project Summary
☒	Appraisal or Assessor’s Valuation (all parcels must have a current value which cannot be zero)
☐	Site maps illustrating ALL features requested in Question 4, site photographs
☐	Geotechnical Soil Evaluation Report, Hazardous Materials Survey (if applicable) NA
☐	Construction financing commitments, terms sheets, or letters of interest
☐	HUD ‘Invitation to Apply’ letter (if applicable) NA
☒	Resolution establishing Redevelopment TIF district and/or documentation of Redevelopment TIF qualifications (slum and blight analysis, building inspection, etc.)
☐	TIF Cash Flow Analysis (if using TIF)
☒	Site crime data
☐	Council action/minutes or other documentation demonstrating local approvals/entitlements
☒	Current property tax statements for each parcel
☐	Joint agreements (if project is multi-jurisdictional) NA
☒	Local transit schedules
☐	Developer letter of commitment and/or development agreement
☐	End-user or business tenant letter(s) of commitment (if applicable) NA
☐	Resolution from applicant agency (Statutory Cities **MUST** authorize Mayor and Clerk) **MUST BE SUBMITTED AT TIME OF APPLICATION**
☐	Resolution from municipality in which the site is located (if different from applicant agency) NA
☐	Conflict of Interest completed and signed by the applicant
☐	Pre-Award Risk Assessment completed and signed by the applicant (attached org chart)

MINNESOTA DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT

651-259-7451 or toll free at 1-800-657-3858

Brownfields and Redevelopment Unit
Great Northern Building
180 East Fifth Street, Suite 1200
St. Paul, MN 55101

INSTRUCTIONS

PURPOSE/BACKGROUND:

The Redevelopment Grant Program was established by the 1998 legislature to incentivize the redevelopment of old industrial, residential, or commercial properties; and assist private sector development with the challenges/costs these sites contain. Minnesota Statutes §§ 116J.571 – 116J.575 gives the Minnesota Department of Employment and Economic Development (DEED) authority to award grants to assist development authorities with eligible redevelopment costs as defined below.

The Redevelopment Grant Program is for currently or previously developed sites where significant barriers exist to redevelop the land into a different and/or more productive use. This program is not intended for parties that have operated on the site long-term, but rather to assist new parties with site redevelopment.

GRANT FUNDING AVAILABILITY:

Funding amounts have typically varied depending on legislative appropriation; however, DEED anticipates the availability of at least $2 million per grant round. According to legislative requirement, if sufficient eligible applications are received, at least 50 percent of the grant money will be awarded to projects outside of the seven-county metropolitan area.

APPLICATION DEADLINES:

The Redevelopment Grant Program operates on a semi-annual grant cycle. Deadlines for submitting applications are **February 1** and **August 1 by 4:00 p.m.** each year. If these days fall on a weekend, the deadline will be the following business day. **Three complete sets of application documents are required for each project: 1 paper copy including attachments and 2 flash drives, each with attachments.** An applicant may apply for more than one project, but a separate application must be completed and submitted for each site.

NOTE: Emailed applications will not be accepted. Please fill out the entire application. All applications must be complete upon submission to qualify for a grant. This includes the fully signed, required resolutions. Applications should be in a binder or bound with attachments clearly marked and tabbed. ELIGIBLE GRANT APPLICANTS:

Eligible applicants for this program are statutory or home rule charter cities, economic development authorities, housing and redevelopment authorities, counties, or port authorities. While these are the eligible applicants, the site can be either privately or publicly owned.

GRANT ELIGIBLE SITES:

Only sites that have been previously developed, and the need to redevelop the land into a different and/or more productive use exists, qualify for a Redevelopment Grant. Sites which were never historically developed with buildings or infrastructure (i.e., cornfield) do not qualify. This program is not intended for parties that have operated on the site long-term, but rather to assist new parties with site redevelopment.

GRANT ELIGIBLE COSTS:

The Redevelopment Grant Program can pay up to 50 percent of the redevelopment costs for a qualifying site. "Redevelopment costs" or "costs" mean the costs of land acquisition, stabilizing unstable soils when infill is required, infrastructure improvements and ponding or other environmental infrastructure, demolition costs and costs necessary for adaptive re-use of buildings, including remedial activities. For purposes of this program adaptive reuse means interior environmental abatement and does not include building rehabilitation or construction. **Costs incurred before the grant agreement is fully executed are not eligible for reimbursement**.

The redevelopment challenges/costs should be related to the site's current or previously developed use. Examples of eligible and ineligible costs include:

Eligible Costs

- Public acquisition*
- Demolition costs (as defined by Minn. Stat. § 116J.572)
- Interior environmental abatement (e.g., asbestos abatement, lead paint abatement, must submit hazardous materials survey)
- Public infrastructure improvements** (e.g., water, sanitary, and storm connections, public sidewalks, public street or sidewalk lighting, public roads, etc.)
- Environmental infrastructure (e.g., stormwater ponding or system, etc.)
- Geotechnical soil correction (must submit a geotechnical soil evaluation)

**Although the statute recognizes acquisition as an eligible expense, DEED will only consider public acquisition, and these costs are only eligible as matching costs.*

****Although these costs are eligible, they should not be the sole costs of the grant request.*

Ineligible Costs

- Construction costs
- Building rehabilitation costs (including interior demolition)
- Environmental remediation (i.e., soil, groundwater, and/or vapor contamination)
- Project/grant administration
- Work performed or fees charged by the grantee or another public entity
- Costs of appraisals or other application costs
- Streetscaping/landscaping (including rain gardens)
- Soft costs (e.g., performance bonds, insurance, etc.)
- Contingencies

GRANT LOCAL MATCH REQUIREMENT:

It is required that the applicant pay for at least 50% of the eligible redevelopment costs as a local match to obtain a redevelopment grant. The match can come from any source available to the applicant. Eligible redevelopment costs incurred up to 12 months prior to the application due date may be included as local match but cannot be reimbursed by DEED. See "Grant Eligible Costs" above. Prior costs should be identified in the Cost Analysis section of the application.

The applicant must complete and adopt the attached resolution authorizing this application and committing the local match from the applicant (see Section VII, Resolutions).

REQUIRED APPRAISALS OR ASSESSMENTS FOR GRANTS:

Current (as-is) and projected (pre-construction) assessed values as determined by the local assessor are required. In lieu of the assessed value, appraisals done by an independent appraiser using accepted appraisal methodology, may be submitted. Values cannot be determined in any other manner. For tax exempt properties without an assessed value, a current market value must be provided.

The value of the property after the proposed development is completed is also required. This estimate is generally based on similar development projects in the city or a tax capacity estimate from the local assessor.

GRANT AWARD CRITERIA:

DEED will award grants to projects that provide the highest return in public benefits for the public costs incurred and meet all the statutory requirements. To evaluate the applications for public benefits with respect to the costs incurred, the law specifies priorities that DEED must consider.

To fulfill this requirement of reviewing applications in an objective and fair manner, the following criteria have been assigned maximum point values to systematically award grants. All assigned scores will be relative to scores awarded to other applications during the same grant round. **An application must receive a minimum of 50 points to be eligible for funding.**

1. Need for redevelopment in conjunction with contamination remediation needs. *Maximum = 15 points.*
2. Redevelopment project meets current tax increment financing requirements for a redevelopment district and tax increments will contribute to the project. *Maximum = 25 points.*
3. Redevelopment potential within the municipality. *Maximum = 85 points.*
4. Proximity to public transit if located in the metropolitan area. *Maximum = 5 points*.
5. Multi-jurisdictional projects that consider the need for affordable housing, transportation, and environmental impact. *Maximum = 15 points.*

Note: application review is a closed process. DEED reviewers may request clarification, but unanswered questions will not receive a score. Additional materials and required attachments will not be accepted after the application deadline without prior request or approval.

DEED has Redevelopment Grant rounds every six months. It is expected that projects are ready to begin grant activities as soon as grant funds are available. If there are one or more grant rounds before grant activities are scheduled to begin, DEED strongly recommends applying in a future grant round that is closer to commencement of the project. Be advised that if awarded, the application will be incorporated into the grant contract. The schedule provided in the application should be as accurate and realistic as possible. **Significant changes to the project and its schedule may result in grant termination.**

EMPLOYMENT AND ECONOMIC DEVELOPMENT

Brownfields and Redevelopment Unit

Redevelopment Grant Application

Applicant (Public Entity) *	Hibbing Economic Development Authority	
Head of Applicant Agency (e.g., Mayor) *Name and Title*	Steve Jurenes, President of Hibbing Economic Development Authority (HEDA)	
Address	401 East 21st St.	
City	Hibbing	Zip Code: 55746
Email of Agency Head	rangergmsteve@yahoo.com	
If the applicant is a city, what form of government?	☐ Home Rule	☒ Statutory City
Project Contact for the Public Entity	Greg Pruszinske, City Administrator	
Phone	(218) 312-1600	
Email	gregpruszinske@hibbingmn.gov	
Address	401 East 21st St	
City	Hibbing	Zip Code: 55746
Project Manager for this project from the Public Entity, in the event of an award*	Jesse Story, City Engineer	
Phone	218-312-1571	
Email	JesseStory@hibbingmn.gov	
Application Author	Greg Pruszinski	
Phone	(218) 312-1600	
Email	gregpruszinske@hibbingmn.gov	

*If awarded, please note that the applicant is responsible for administering the grant and ensuring all grant terms and conditions are met.

PROJECT SUMMARY

ATTACH a summary of the project including the applicant's capacity to manage the grant in the event one is awarded.

I. SITE IDENTIFICATION AND HISTORY

SITE INFORMATION

1. Name of site/project: Jefferson School

   Site address: 2810 Diane Lane

   City: Hibbing Zip code: 55746

   Site acreage: 10.35

   Property Identification Number(s): 140-0270-00855

   Minnesota Legislative District* in which **the site** is located:

   A: 7a

   B: Click or tap here to enter text.

   *The Minnesota Legislature has an online tool to look up legislative district numbers: Legislative Website

SITE OWNERSHIP

2. A. Current property owner(s): Hibbing Economic Development Agency

   When was the property purchased? May 2025

   For what amount? $400,000

   From whom was the property purchased? Sunrise Bakery LLC

   B. Who will develop the site? Vision, Inc.

   Will the developer/affiliate own the property at any time? ☒ Yes ☐ No

   When was/will the property be purchased? March 2027

   For what amount? $1

   C. Who will own the site after development? A single purpose LLC owned by Vision, Inc.

   When was/will the property be purchased? March 2027

   For what amount? $ 1

   D. What is the relationship (if any) between the current owner, the developer, and/or the future owner(s)? No relationship exists between the current owner, developer/future owner.

SITE VALUATION: ASSESSMENT OR APPRAISAL

3. DEED requires an appraisal or current assessed value as shown below. For tax-exempt properties without an assessed value, a current market value must be provided.

ATTACH an appraisal completed by a qualified independent appraiser licensed under chapter 82B using accepted appraisal methodology which shows the current market value of the property. This value should include both the value of the land and, if applicable, any buildings on the Site. Along with the appraisal, please include the projected value after redevelopment activities and development have been completed.

Current Appraised Value	215,000
Projected Value	9,464,450

Or **ATTACH** documentation showing the assessed value of the property for the most recent year, as determined by the local assessor, shown on the most recent valuation notice used under Minn. Stat. § 273.121. Along with the assessed value, please include the projected value after redevelopment activities and development have been completed.

Current Assessed Value	
Projected Value	

MAPS AND SITE FEATURES

4. **ATTACH** accurate and legible site and location maps, showing locations of prominent and relevant site features such as buildings, retaining walls, etc. Maps must include site boundaries, a north arrow and bar scale, and show the following:

   ☒ Current condition of the site including labeled structures.
   ☒ Specifically, where and for what activities DEED money will apply
   ☐ If requesting, geotechnical soil correction location and depth N/A
   ☒ Proposed development of the site including labeled structures.

5. **ATTACH** current (and historic, if available) photographs of the site.

HISTORY

6. Provide the timeline and history of the site. This includes, but is not limited to, when the site was first developed, former and current uses, as well as former and current occupants, etc., and describe what led to the site's current dilapidated condition.

   In August, 1959, the Jefferson School was opened after "stabilization of elementary school enrollment after a decade of continuous growth" (per a Hibbing Daily Tribune Article on August 20, 1959). The 45,000 square-foot school originally contained 18 classrooms and two kindergarten classrooms. It was designed with the "split-level principle of construction," with the southern classrooms' wing comprised of two stories: primary grades housed on the lower level and upper grades above.

   Facilities included a library, multi-purpose gymnasium, auditorium, teachers' workroom and office area (housing the principal's office, outer office, health room, conference room) and equipment and supply room). A portion of the outside play areas to east and west were blacktopped. In 1981, an additional classroom wing was added to the East side of the building, which was estimated to be in use through 1992.

   In January 2002, due to declining enrollment and budget shortfalls, the ISD 701 school board voted to close a school building at the beginning of the 2003-04 school year.

   In 2005 the school was purchased by Sunrise Bakery. Operations included manufacturing, a retail storefront, and wholesale sales through catalogs, their internet site, and several large grocery store chains. In 2009, the building was partially rezoned, and the Hibbing Parents Nursery School moved into the lower, southeast corner of the classrooms' wing, which was walled off from the remainder of the facility.

Food bakery production primarily occupied the original gym space in the northern most, single-level, “wing” of the building, with the remainder of the wing occupied by light/complimentary bakery use (~23,000 sf). The daycare occupied six main level original classrooms in the south, two-story wing, (roughly 6,500 sf). The rest of the building was primarily vacant.

Sunrise Bakery continued to operate out of the Jefferson School until 2025, when it was sold to the Hibbing Economic Development Agency. The daycare subsequently moved out of the building in late fall 2025.

Although the facility had been inhabited through 2025, the building appears to have experienced prolonged neglect and lack of comprehensive maintenance or upgrades. Significantly, leaks in the flat roof have allowed water intrusion into the building causing rot in wood, corrosion in metal, mold and mildew, and weakened, crumbling concrete. So much so, the appraisal report notes it would take “significant capital expenditure” for continued use or redevelopment.

CURRENT AND FUTURE SITE USE

7. Zoning/Land Use:

   A. Current: ☐ Industrial ☐ Commercial ☐ Residential ☐ Mixed-use ☒ Other (Specify) Split zoned: Light industrial and Planned Development District

   B. After Redevelopment: ☐ Industrial ☐ Commercial ☒ Residential ☐ Mixed-use ☐ Other (Specify) Click or tap here to enter text.

8. Current buildings on site:

	Number of buildings	How many are occupied?	If vacant, for how long?
Industrial			
Commercial	1	0	1
Residential			

9. Year building(s) was/were constructed: 1958

10. Describe the current condition of the buildings on site: The school is currently in a state of dilapidation, smelling strongly of mold/mildew and needing serious repair. Per the Adaptive Re-use Study and Appraisal, the school “would require significant capital expenditure for continued use including repair to maintenance deferred/dated items, including mitigation of roof system. Additionally, alternate or redevelopment use would require significant capital expenditure.” Items in disrepair include the roof (with visible water intrusion); exterior panels/brick/façade/etc., and windows and doors. The HVAC is at the end of its life. Most interior finishes have been damaged by water intrusion from the roof and wear/tear of bakery production (2005-2025), and many plumbing/bathroom components and mechanical/utility systems (most of which are original and may be functionally obsolete) have been disconnected or not in use for several years. Externally, the asphalt lots have fallen into disrepair and would need replacement.

11. Describe plans for the existing buildings as redevelopment occurs:

    As the school would require significant capital expenditure for continued or alternate use including repair to maintenance deferred/dated items including mitigation of roof system, and (per the appraisal) its highest and best use is redevelopment, the city plans to demolish the existing building in preparation for development of much needed multifamily housing.

12. Describe **IN DETAIL** the proposed development plan for the site. Include information such as the number and size of buildings, number of housing units, square footage of commercial space, any known future tenants, etc.

    The Jefferson School Redevelopment will offer one, 60,000 SF gross/44,350 SF rentable, three-story, wood-frame multifamily community with 75 dwelling units. The unit mix includes 32 studios ($1,225/month), 35 one-bedroom ($1,425/month), and eight two-bedroom apartments ($1,675/month).

    Units will be finished with quartz countertops, custom cabinetry, stainless steel appliances, and in-unit washer/dryers. The building will include a fitness center, community room, outdoor patio, and dog run. Parking is provided through a combination of enclosed, heated garage stalls and surface parking, resulting in a 2:1 ratio across the 5-acre site.

    Future tenants will include working families and individuals seeking quality rental housing in a connected and accessible neighborhood.

IMPORTANT NOTE: Per [Minn. Stat. § 116J.575, Subd. 4](), if this redevelopment project fails to substantially provide the public benefits (jobs and taxes) listed in this application within five years of the grant award date, the Commissioner may require that 100 percent of the grant amount be repaid to DEED.

13. Is the proposed development related to the bioscience field? ☐ Yes ☒ No

    If yes, describe: Click or tap here to enter text.

14. Is the proposed development an expansion of an existing Minnesota bioscience business?

    ☐ Yes ☒ No

II. COST ANALYSIS

15. Total redevelopment costs as defined on Page iii: $1,217,316
16. DEED request amount: $450,016

    Note: at least 50% of the total redevelopment costs must be paid with a match source.
17. Describe **IN DETAIL** the specific activities for which DEED funds are being requested:

    Requested DEED funds will be used for asbestos and hazardous materials abatement and demolition of the Jefferson School building.
18. If requesting assistance with geotechnical soil correction, explain how these costs are related to the site's past use and **ATTACH** the site's geotechnical soil evaluation report.

    N/A
19. Complete the budget table below indicating the sources, uses, and amounts of all funds (including TIF, DEED requests, etc.) that will be used for eligible redevelopment costs as defined on Page iii. The table should list the total redevelopment costs, including any costs that have already been incurred.

    The 50% local match can come from any source. Eligible redevelopment activities that have been completed up to 12 months prior to the application due date can count toward local match. If eligible costs have been incurred, attach the invoices. Public acquisition is only eligible as a match cost.

Redevelopment Sources and Uses of Funds for the Project (Budget Table)					
Use of Funds (Activity) (List individually)	**Cost**	**Cost Incurred? Y/N**	**Date Incurred**	**Source of Funds**	**Date Funds Committed***
Legal Fees	244	Yes	Jan 2026	CCDF: 255-46-6500-490	Sept 2025
TIF Building Assessment	7,800	Yes	Nov 2025	CCDF: 255-46-6500-490 IRRR Shovel Ready Grant	Sept 2025
Title Work	250	Yes	Sept 2025	CCDF: 255-46-6500-490 IRRR Shovel Ready Grant	Sept 2025
Survey: Boundary and Topo, Utilities, Encroachments	4,300	Yes	Sept 2025	CCDF: 255-46-6500-490 IRRR Shovel Ready Grant	Sept 2025
Phase I ESA	3,500	Yes	Oct 2025	CCDF: 255-46-6500-490 IRRR Shovel Ready Grant	Sept 2025
Wetland Delineation	4,500	Yes	Oct 2025	CCDF: 255-46-6500-490 IRRR Shovel Ready Grant	Sept 2025

Pre Demo Asbestos and Hazardous Materials Assessment	10,430	Yes	Nov 2025	CCDF: 255-46-6500-490 IRRR Shovel Ready Grant	Sept 2025
Work Plan/ Proj. Coordination	12,617	Yes	Feb 2025 - present	CCDF: 255-46-6500-490	Sept 2025
Acquisition	406,375	Yes	May 2025	City Acquisition Fund	Feb 2025
Abatement	287,300	No	2027	CCDF: 255-46-6500-490 DEED Redevelopment Grant	Pending
Demolition	480,000	No	2027	CCDF: 255-46-6500-490 DEED Redevelopment Grant	Pending
Total	$1,217,316				

Use of Funds (Activity): See Page iii for a list of eligible redevelopment costs. Be specific. List activities individually rather than combining into one line item (e.g., city water connection upgrade, city sanitary connection upgrade, etc.)
Cost: Total cost of the budget line item.
Costs Incurred: Has work on this activity started?
Date Incurred: When was this work done? Give a time range if necessary.
Source of Funds: List the funding sources, including match sources, contributing to each activity.
Date Funds Committed: When were the funds secured from this source?
***ATTACH** documentation of funding commitments.

20. Complete the table below indicating the sources, uses, and amounts of all funds that will be used for development construction.

Construction Sources and Uses of Funds for the Project			
Construction Activity	**Cost**	**Sources of Funds** (list individually)	**Date Funds Committed***
Construction of Building	13,000,000	Bank Loan, IRRR Housing Grant, City/HEDA loan, Equity	LOI July 2026
Site Preparation	1,220,000	IRRR Grant	Pending
Contingency	1,000,000	Equity	Pending
Construction Period Interest	891,049	Equity	Pending
Developer Fee	625,000	Equity	Pending
Architectural and Engineering Fees	500,000	Equity	Pending
Financing / Loan Origination Fee	120,000	Equity	Pending
Total	**$17,356,049**		

Construction Activity: May include building construction or other costs ineligible for Redevelopment.
Commitment Date: If construction financing is pending, list the date closing is anticipated.
***ATTACH** documentation of funding commitments.

21. What are the development's construction costs? Note the tables in question 20 and 21 should have the same total.

Total	$17,356,049
Public	$2,500,000
Private	$14,856,049

22. Is all the construction financing in place for the development of the site? ☐ Yes ☒ No

    If yes, **ATTACH** documentation of funding commitments.

23. If construction financing is not in place, what is the process and timeline to secure the funds and when is closing anticipated?

    Construction finance is pending approval of this grant, the removal of the building, and the approval of the IRRR grant. The developer has been successful securing IRRR grant awards and is optimistic that it will be successful again to support this much-needed project in Hibbing. The first step in supporting any project at this blighted property is the removal of the structure. The developer has equity available for the project which is softly committed, subject to this and the IRRR grant awards.

    ATTACH any letters of interest, term sheets from lenders or other funding sources, and include this information in Section V, Project Schedule.

24. Is the project seeking financial assistance from HUD and/or MHFA?

    ☐ Yes ☒ No

    If yes, where is the project in the HUD and or MHFA financing process?

    N/A

25. Will the development plan proceed without a DEED Redevelopment Grant?

    ☐ Yes ☒ No

    Please explain.

    The City of Hibbing requires DEED Redevelopment Grant assistance because the cost of environmental remediation and demolition of the former school substantially exceeds the property's market value and prevents private redevelopment from occurring. Without grant funding, the site will likely remain vacant and underutilized due to the significant upfront costs associated with asbestos abatement, hazardous material removal, and demolition. The grant will eliminate these barriers, create a shovel-ready site, and leverage future private investment for housing development that expands the tax base, supports workforce attraction, and addresses documented housing shortages in the community.

III. TAX INCREMENT FINANCING (TIF) ANALYSIS

26. Is this project included in a currently established Redevelopment TIF district? ☐ Yes ☒ No

    If yes, **ATTACH** the adopted resolution establishing the Redevelopment TIF district.

27. If not, does the project currently meet TIF requirements for a Redevelopment TIF district?

    ☒ Yes ☐ No

28. If yes, check the following TIF criteria that apply and **ATTACH** documentation (slum and blight analysis, building inspection, etc.) determining Redevelopment TIF qualifications:

    ☒ A. Parcels consisting of 70% of the area of the TIF district must be occupied by buildings, streets, utilities, or other improvements, and more than 50% of the buildings (excluding outbuildings) must be structurally substandard to a degree requiring substantial renovation or clearance; or

    ☐ B. Parcels must consist of vacant, unused, under used, inappropriately used, or infrequently used rail yards, rail storage facilities or excessive or vacated railroad rights-of-way; or

    ☐ C. Tank facilities (see criteria in Minn. Stat. § 469.174, Subd. 10[a][3]); or

    ☐ D. A qualifying disaster area.

29. How much TIF will be used for the project? $4,500,000

    ATTACH a cash flow analysis that indicates how much TIF will be used towards this project.

    If another type of TIF is being used for this project, what type is it? (Housing, pooled, etc.)

    N/A

30. What activities are being financed with TIF? The developer does not intend to leverage the TIF via a note, rather they will use the expense reduction support a larger 1st mortgage.

31. What is the maximum amount of TIF that can be generated? $4,500,000

32. If TIF is not being used fully, or at all, explain why:

    N/A

33. Is there a gap in financing after applying TIF? ☒ Yes ☐ No

    If yes, how much is the gap? $2,500,000 million ($2M from IRRR, $500k from the City)

IV. ANALYSIS OF REDEVELOPMENT POTENTIAL

34. Describe how redevelopment of this site will spur future development of adjacent sites by identifying nearby properties with redevelopment potential.

    The Jefferson School project is located within ¼ mile of Hibbing's Highway 169 commercial corridor. U.S. Highway 169, a.k.a. the "Beltline," is the only U.S. Highway to run through the community, and it is the city's main thoroughfare. The Beltline is zoned mixed use commercial/light industrial.

    The immediate neighborhood surrounding the Jefferson School is mixed in use (commercial, single family residential and multi-family residential). South of the school lies vacant/primarily publicly owned lands. While the immediate neighborhood is not within an identified revitalization neighborhood, it has been identified by stakeholders as an opportunity for multi-family housing, community spaces, and economic development.

    Redevelopment of the Jefferson School site into multi-family housing will provide much needed housing, expanding the tax base, supporting workforce attraction, and addressing documented housing shortages in the community. Importantly, it will also remove blight (reducing crime) and improve market confidence.

35. Describe the relative adequacy of the infrastructure at the site.

    Infrastructure to the building is assumed adequate, as the building was still occupied in 2025. All utilities have been turned off since late fall 2025. The street in front of the building is in "rough shape," per the Director of City Services.

    Per the appraisal, the roof is in disrepair (with visible water intrusion) as are the exterior panels/brick/façade/etc., windows and doors. The HVAC is at the end of its life. Most interior finishes have been damaged by water intrusion from the roof and wear/tear of bakery production (2005-2025), and many plumbing/bathroom components and mechanical/utility systems (most of which are original and may be functionally obsolete) have been disconnected or not in use for several years. Externally, the asphalt lots have fallen into disrepair and would need replacement.

36. **ATTACH** the most recent data on criminal activity at the site. Describe how redevelopment of the site will reduce crime.

    The Jefferson School was vacated in fall 2025. Thus far crime has been minimal. However vacant, schools and buildings signal neighborhood neglect and are known to attract crime, attracting thrill-seekers, scrappers seeking metal, and vandals. They are associated with localized spikes in crime and arson.

    The city would like to eliminate this potential by removing the school and eliminating the opportunity for crime. Redevelopment into market rate housing will increase natural surveillance, revitalize a blighted area, and increase property values and investment.

37. Has the site been found or suspected to be contaminated? ☒ Yes ☐ No

    If yes, describe the type of contamination: The December 2025 Pre-Demolition Asbestos and Hazardous Materials Assessment found various items identified as potential hazardous material: 4 mercury containing thermostats, two boilers, water heater tank, pressure tank, three chest freezers, industrial oven, walk-in cooler, approximately 25 hydraulic door rams, five exit signs, approximately 1,000 4-foot fluorescent bulbs, hydraulics for the three AHU's, a window air conditioning unit and two compressors. In addition, samples from floor tiles, mastic, light fixture insulation, and mudded joints on insulation were found to contain asbestos.

Check all that have been completed:

☒ Phase I ESA
☐ Phase II ESA
☐ Response Action Plan (RAP)
☐ MPCA RAP Approval
☒ Hazardous Material Survey (**ATTACH** if requesting assistance for abatement)

What are the anticipated remediation costs? $287,300

What are the sources of funding for contamination cleanup? CCDF: 255-46-6500-490
DEED Redevelopment Grant

38. Have all the required local approvals/entitlements necessary for this project to proceed been obtained (planning commission, zoning, etc.)? ☐ Yes ☒ No

    If yes, **ATTACH** council action/minutes or other documentation to confirm.

    If not, what approvals remain and what is the timeline for obtaining these approvals? Include this information in Section V, Project Schedule.
    A predevelopment agreement has been signed by the developer and City prior to the grant submission. A development agreement is being drafted, and it will go to City Council for final approval at the regularly scheduled October 2027 meeting. Once the demolition grant funds are secured, the development agreement will be finalized, approved, and executed.

PROPERTY TAX INFORMATION

39. What are the current property taxes (as determined by the County or City Assessor) for the site:

    $0 (the site is publicly owned)

ATTACH a current property tax statement for each parcel.

40. What are the projected property taxes after development is completed: $214,000

    How was this figure determined? This number was determined by using St. Louis County tax information and forecasting total taxes using the proforma. This project will be setting the market for new multifamily; the newest multifamily project was constructed in 2015 and does not have the same level of amenities.

JOB CREATION

41. Project the number of new full-time equivalent (FTE) jobs to be created after redevelopment and development of the site is completed. These should include permanent jobs that did not exist in Minnesota prior to development and do not include temporary or construction jobs.

    Total New Jobs: 0 FTEs

New Jobs Table

Position Title	Total # of Full-Time Jobs (FTE)	Total # of Part-Time Jobs	Part-time Hours Per Week	Expected Hiring/Start Date
Building Manager	1	0	40	March 2028
Leasing agent	0	1	20	March 2028

JOB RETENTION

42. Project the number of retained FTE jobs after redevelopment and development of the site is completed. These should include permanent jobs that existed either on-site or elsewhere in Minnesota prior to development.

    Total Retained Jobs:0 FTEs

Retained Jobs Table

Position Title	Total # of Full-Time Jobs (FTE)	Total # of Part-Time Jobs	Part-time Hours Per Week	Former Location of Retained Jobs

HOUSING DATA

43. If the site will be redeveloped for residential use, provide the following data:

    RENTAL:

Total number of units	75
Monthly rental cost per unit	$1442
Number of affordable units*	0
Level of affordability	70-80%
Construction cost per unit	$231,413

OWNER OCCUPIED:

Total number of units	0
Purchase price per unit	$
Number of affordable units/homes*	NA
Level of affordability	NA
Construction cost per unit	$NA

*For purposes of this program, DEED considers affordable housing to be at or below 60% area median income (AMI).

OTHER PUBLIC BENEFITS

44. Is this a multi-jurisdictional project (a joint application, joint powers agreement, joint development agreement, etc.)? ☐ Yes ☒ No

    If yes, describe how the project is multi-jurisdictional and **ATTACH** any joint agreements.

    NA

    Note: projects with other state agencies and/or the Metropolitan Council are not considered multi-jurisdictional projects.

45. What positive environmental benefit does this project have to the state and region? The new apartment residence will be much more energy efficient than much of the housing stock currently available in Hibbing. Residents will consume less energy thereby reducing greenhouse gas emissions. New appliances will help conserve resources. The project is located near several job centers, enabling some

number of the 4,500 commuters who drive in Hibbing to work each day in to reduce their drive-time, thereby reducing carbon emissions and wear on our roadways.

46. Does the project advance or promote the growth of the green economy as defined in Minn. Stat. § 116J.437? ☐ Yes ☒ No

    If yes, describe how the project advances or promotes the growth of the green economy in Minnesota:

    Click or tap here to enter text.

PROXIMITY TO PUBLIC TRANSIT

47. **ATTACH** any local transit schedules and highlight the lines that serve the project site or nearby area. If a regularly scheduled route does not serve the area, please provide information about other forms of transit that serve the community.

    Arrowhead Transit is the regional bus service provider in northeastern Minnesota which took over intercity bus services August 2024. Arrowhead Transit currently provides transit via dial-a-ride with regular stops at Walmart, the Hibbing Library and Super One.

DEVELOPER/END-USER/TENANT COMMITMENT

48. If there is a developer, complete the following and **ATTACH** a letter of commitment.

Developer	Vision, Inc.
Contact Person	Ryan Nelson
Title	Owner
Phone Number / Email	218-590-8983

49. If there is an end-user or third party, such as a business tenant, complete the following and **ATTACH** a letter(s) of commitment.

Third Party/Company Name	NA
Contact Person	
Title	
Phone Number / Email	

V. PROJECT SCHEDULE

50. Provide a detailed schedule outlining the individual tasks necessary to complete the project. This includes redevelopment and development tasks and activities such as, but not limited to, site acquisition, local approvals (entitlements, TIF, etc.), financing commitments, abatement, demolition, development construction start and end date, and any other project activities.

IMPORTANT NOTE: Per Minn. Stat. § 116J.575, Subd.4, if this redevelopment project fails to substantially provide the public benefits (jobs and taxes) listed in this application within five years of the grant award date, the Commissioner may require that 100 percent of the grant amount be repaid to DEED.

DEED has redevelopment grant rounds every six months. It is expected that projects are ready to begin grant activities as soon as grant funds are available. If there are one or more grant rounds before grant activities are scheduled to begin, DEED strongly recommends applying in a future grant round that is closer to commencement of the project. Premature applications increase the likelihood that public benefits will not be achieved within five years thus requiring grant repayment.

If awarded, this schedule will be incorporated into the grant contract. Be as accurate and realistic as possible. Significant changes to this schedule may result in grant termination.

Scheduled Tasks

Task	2025											
	Jan	Feb	Mar	Apr	Ma	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Appraisal – Dec 2024												
Work Plan/ Proj. Coordination					x	x	x	x	x	x	x	x
Demo Estimates					x	x						
Title Work									x			
TIF Building Assessment											x	x
Survey: ALTA, Utilities, encroachments,											x	x
Phase I ESA										x		
Asbestos Inspection and Hazardous Materials Surveys											x	x
Legal												
Developer Term Sheet Approval												
Grant Award Notification												
Development Agreement Approval												
Public Bid Process												
Abatement/Demolition												

Task	2026											
	Jan	Feb	Mar	Apr	Ma	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Appraisal – Dec 2024												
Work Plan/ Proj. Coordination	x	x					x	x	x			
Demo Estimates												
Title Work												
TIF Building Assessment												
Survey: ALTA, Utilities, encroachments,												
Phase I ESA												
Asbestos Inspection and Hazardous Materials Surveys												
Legal		x										
Developer Term Sheet Approval							x					
Grant Award Notification											x	
Development Agreement Approval												x
Public Bid Process												
Abatement/Demolition												

Task	2027											
	Jan	Feb	Mar	Apr	Ma	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Appraisal – Dec 2024												
Work Plan/ Proj. Coordination												
Demo Estimates												
Title Work												
TIF Building Assessment												
Survey: ALTA, Utilities, encroachments,												
Phase I ESA												
Asbestos Inspection and Hazardous Materials Surveys												
Legal												
Developer Term Sheet Approval												
Grant Award Notification												
Development Agreement Approval												
Public Bid Process	x											
Abatement/Demolition		x	x	x	x	x	x					

Land Conveyance																															x				
Architecture & Engineering																							x	x	x	x	x	x	x	x	x	X			
Fees/Permits																																x			
Construction																																	x	x	x

Redevelopment activities start date: 5/1/2025
Redevelopment activities completion date: 8/1/2027
Construction completion date: 3/1/2029
Benefits achievement date: 5/1/2029

51. Please list any factors which would change or delay this schedule. Integral to this project is the timely securing of Mn DEED Demolition Grant funds to complete remediation and demolition of school, thereby allowing the provision of a shovel ready site to the developer in Fall 2027.

VI. PAYMENT INFORMATION

52. To receive payment from DEED, a SWIFT Vendor Number (with Location Code) assigned by Minnesota Management and Budget is required. For prompt payment, ensure the Vendor Number and Location Code are set up to allow electronic funds transfer (EFT) or Automated Clearing House (ACH) payment. State Vendor information may be found at: Supplier Portal

Applicant's Financial Contact	Sheena Mulner
Phone	218-312-1602
Email	sheenamulner@hibbingmn.gov
Applicant's SWIFT Remit To Vendor Number and Location Code	00000198396-001
Address Associated with SWIFT Vendor Number and Location Code	401 E. 21st St., Hibbing, MN 55746

VII. RESOLUTIONS

53. Resolutions must be adopted prior to the application deadline and submitted with the application. The two required elements are:
    A. A resolution from the governing body of the city where the project site is located, which approves the application.
    B. A resolution from the applicant committing the local match and authorizing contract signatures**.** **Note**: Pursuant to Minn. Stat. § 412.201, **Statutory Cities must authorize the Mayor and Clerk to execute all contracts.**

Blank resolution templates are included on the following pages. The applicant may choose to reformat or combine them, but the adopted resolution must include all the following statements. **Resolutions that do not contain all statements will not be accepted.**

RESOLUTION #1: Municipality Approving the Application

BE IT RESOLVED that the ______________________ (Municipality of project location) has approved the Redevelopment Grant application submitted to the Department of Employment and Economic Development (DEED) on ______________ (Date), by________________ (Applicant) for the ___________________(Site name) site.

I certify that the above resolution was adopted by the city council on ________________ (Date)

Signed: ___________________________ (Authorized Official)

Title: _____________________________

Date: _____________________________

Witnessed by: __________________________

Title: ______________________Date: __________________

RESOLUTION #2: Committing the Local Match and Authorizing Contract Signature

BE IT RESOLVED that____________________ (Applicant) act as the legal sponsor for project(s) contained in the Redevelopment Grant Program application to be submitted on ____________(Date), and that _____________________(Title of Authorized Official) is hereby authorized to apply to the Department of Employment and Economic Development for funding of this project on behalf of ____________ (Applicant).

BE IT FURTHER RESOLVED that_______________________ (Applicant) has the legal authority to apply for financial assistance, and the institutional, managerial, and financial capability to ensure adequate project administration.

BE IT FURTHER RESOLVED that the sources and amounts of the local match identified in the application are committed to the project identified.

BE IT FURTHER RESOLVED that if the project identified in the application fails to substantially provide the public benefits listed in the application within five years from the date of the grant award, __________________ (Applicant) may be required to repay 100 percent of the awarded grant per Minn. Stat. § 116J.575, Subd. 4;

BE IT FURTHER RESOLVED that _________________ (Applicant) has not violated any Federal, State, or local laws pertaining to fraud, bribery, graft, kickbacks, collusion, conflict of interest or other unlawful or corrupt practice.

BE IT FURTHER RESOLVED that upon approval of its application by the state,_______________________ (Applicant) may enter into an agreement with the State of Minnesota for the above-referenced project(s), and that _______________ (Applicant) certifies that it will comply with all applicable laws and regulation as stated in all contract agreements.

NOW, THEREFORE BE IT FINALLY RESOLVED that the <u>Mayor and the Clerk (for Statutory Cities), or Title of Authorized Official(s)</u>, are hereby authorized to execute such agreements as are necessary to implement the project on behalf of the applicant.

Note*: Do not include the name, only the title of the official(s).*

Pursuant to Minn. Stat. § 412.201, Statutory Cities must authorize <u>both</u> the <u>Mayor and Clerk</u> to execute all contracts, whereas Home Rule Charter Cities or other public entities may differ.

I CERTIFY THAT the above resolution was adopted by the ________________ (City Council, County Board, etc.)

of ____________________________ (Applicant) on _____________________ (Date)

____	____
SIGNED: (Authorized Official)	WITNESSED BY:
____	____
(Title and Date)	(Title and Date)

VIII. Applicant Disclosures and Certifications

Applicant Conflict of Interest Disclosure Form

This form gives applicants and grantees an opportunity to disclose any actual or potential conflicts of interest that may exist when receiving a grant. It is the applicant/grantee's obligation to be familiar with the Office of Grants Management (OGM) Policy 08-01: Grants Conflict of Interest (Current Policies tab) and to disclose any conflicts of interest accordingly.

All grant applicants must complete and sign a conflict-of-interest disclosure form.

☒ I or my grant organization do NOT have an ACTUAL or POTENTIAL conflict of interest.

If at any time after submission of this form, I or my grant organization discover any conflict of interest(s), I or my grant organization will disclose that conflict immediately to the appropriate agency or grant program personnel.

☐ I or my grant organization have an ACTUAL or POTENTIAL conflict of interest.

(*Please describe*): Click or tap here to enter text.

If at any time after submission of this form, I or my grant organization discover any additional conflict of interest(s), I or my grant organization will disclose that conflict immediately to the appropriate agency or grant program personnel.

Printed name: Greg Pruszinske

Signature: ________________________________

Organization: City Of Hibbing

Date: July 23, 2026

Applicant Pre-Award Risk Assessment

The Department of Employment and Economic Development (DEED) is in the process of completing the pre-award risk assessment. The finalized assessment will be distributed via email to grantees upon completion.

At the Special Hibbing Economic Development Authority (HEDA) meeting held September 14, 2026, at 8 am in the Hibbing City Council Chambers, HEDA Member ____________ introduced the following Resolution and moved its adoption:

CITY OF HIBBING
STATE OF MINNESOTA
SAINT LOUIS COUNTY

RESOLUTION NO. 2026-09-06

RESOLUTION AUTHORIZING THE HIBBING ECONOMIC DEVELOPMENT AUTHORITY (HEDA) OF THE CITY OF HIBBING TO COMMITT THE LOCAL MATCH AND AUTHORIZE CONTRACT SIGNING FOR THE DEPARTMENT OF EMPLOYMENT & ECONOMIC DEVELOPMENT (DEED) GRANT APPLICATION

NOW BE IT RESOLVED that if the project identified in the application fails to substantially provide the public benefits listed in the application within five years from the date of the grant award, HEDA may be required to repay 100 percent of the awarded grant per Minn. Stat. § 116J.575, Subd. 4;

BE IT FURTHER RESOLVED that HEDA has not violated any Federal, State, or local laws pertaining to fraud, bribery, graft, kickbacks, collusion, conflict of interest or other unlawful or corrupt practice.

BE IT FURTHER RESOLVED that upon approval of its application by the state, HEDA may enter into an agreement with the State of Minnesota for the above-referenced project, and that HEDA certifies that it will comply with all applicable laws and regulations as stated in all contract agreements.

NOW, THEREFORE BE IT FINALLY RESOLVED that the HEDA President and Clerk are hereby authorized to execute such agreements as are necessary to implement the project on behalf of the applicant.

NOW BE IT RESOLVED that HEDA does adopt this resolution.

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

FOR ADOPTION:

AGAINST ADOPTION:

ABSTAINING:

ABSENT:

Passed and adopted this 14th day of September, 2026.

HEDA

President Steve Jurenes

ATTEST:

Candie Seppala, City Clerk/Deputy Administrator

Redevelopment Grant Application Submittal Checklist

Logistics

☐	One complete paper copy (complete copies include all attachments)
☐	Two complete electronic copies (i.e., one flash drive, emailed applications will not be accepted)
☐	All the above submitted to DEED by 4:00 p.m. on August 1

Application Form Content

☒	Applicant Information Cover Page
☒	I. Site Identification and History
☐	II. Cost Analysis: Redevelopment Sources and Uses (Budget Table) and Construction Sources and Uses
☐	III. Tax Increment Financing (TIF) Analysis
☒	IV. Analysis of Redevelopment Potential
☒	V. Project Schedule
☒	VI. Payment Information (Applicant's State SWIFT Vendor Number, Location Code, and Address)
☐	VII. Resolutions (Statutory Cities must authorize Mayor and Clerk)
☐	VIII. Applicant Disclosures and Certifications (Conflict of Interest and Pre-Award Risk Assessment)

Application Attachments

☐	Project Summary
☒	Appraisal or Assessor's Valuation (all parcels must have a current value which cannot be zero)
☐	Site maps illustrating ALL features requested in Question 4, site photographs
☐	Geotechnical Soil Evaluation Report, Hazardous Materials Survey (if applicable) NA
☐	Construction financing commitments, terms sheets, or letters of interest
☐	HUD 'Invitation to Apply' letter (if applicable) NA
☒	Resolution establishing Redevelopment TIF district and/or documentation of Redevelopment TIF qualifications (slum and blight analysis, building inspection, etc.)
☐	TIF Cash Flow Analysis (if using TIF)
☒	Site crime data
☐	Council action/minutes or other documentation demonstrating local approvals/entitlements
☒	Current property tax statements for each parcel
☐	Joint agreements (if project is multi-jurisdictional) NA
☒	Local transit schedules
☐	Developer letter of commitment and/or development agreement
☐	End-user or business tenant letter(s) of commitment (if applicable) NA
☐	Resolution from applicant agency (Statutory Cities **MUST** authorize Mayor and Clerk) **MUST BE SUBMITTED AT TIME OF APPLICATION**
☐	Resolution from municipality in which the site is located (if different from applicant agency) NA
☐	Conflict of Interest completed and signed by the applicant
☐	Pre-Award Risk Assessment completed and signed by the applicant (attached org chart)

MINNESOTA DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT

651-259-7451 or toll free at 1-800-657-3858

Brownfields and Redevelopment Unit
Great Northern Building
180 East Fifth Street, Suite 1200
St. Paul, MN 55101

INSTRUCTIONS

PURPOSE/BACKGROUND:

The Redevelopment Grant Program was established by the 1998 legislature to incentivize the redevelopment of old industrial, residential, or commercial properties; and assist private sector development with the challenges/costs these sites contain. Minnesota Statutes §§ 116J.571 – 116J.575 gives the Minnesota Department of Employment and Economic Development (DEED) authority to award grants to assist development authorities with eligible redevelopment costs as defined below.

The Redevelopment Grant Program is for currently or previously developed sites where significant barriers exist to redevelop the land into a different and/or more productive use. This program is not intended for parties that have operated on the site long-term, but rather to assist new parties with site redevelopment.

GRANT FUNDING AVAILABILITY:

Funding amounts have typically varied depending on legislative appropriation; however, DEED anticipates the availability of at least $2 million per grant round. According to legislative requirement, if sufficient eligible applications are received, at least 50 percent of the grant money will be awarded to projects outside of the seven-county metropolitan area.

APPLICATION DEADLINES:

The Redevelopment Grant Program operates on a semi-annual grant cycle. Deadlines for submitting applications are **February 1** and **August 1 by 4:00 p.m.** each year. If these days fall on a weekend, the deadline will be the following business day. **Three complete sets of application documents are required for each project: 1 paper copy including attachments and 2 flash drives, each with attachments.** An applicant may apply for more than one project, but a separate application must be completed and submitted for each site.

NOTE: Emailed applications will not be accepted. Please fill out the entire application. All applications must be complete upon submission to qualify for a grant. This includes the fully signed, required resolutions. Applications should be in a binder or bound with attachments clearly marked and tabbed. ELIGIBLE GRANT APPLICANTS:

Eligible applicants for this program are statutory or home rule charter cities, economic development authorities, housing and redevelopment authorities, counties, or port authorities. While these are the eligible applicants, the site can be either privately or publicly owned.

GRANT ELIGIBLE SITES:

Only sites that have been previously developed, and the need to redevelop the land into a different and/or more productive use exists, qualify for a Redevelopment Grant. Sites which were never historically developed with buildings or infrastructure (i.e., cornfield) do not qualify. This program is not intended for parties that have operated on the site long-term, but rather to assist new parties with site redevelopment.

GRANT ELIGIBLE COSTS:

The Redevelopment Grant Program can pay up to 50 percent of the redevelopment costs for a qualifying site. “Redevelopment costs” or “costs” mean the costs of land acquisition, stabilizing unstable soils when infill is required, infrastructure improvements and ponding or other environmental infrastructure, demolition costs and costs necessary for adaptive re-use of buildings, including remedial activities. For purposes of this program adaptive reuse means interior environmental abatement and does not include building rehabilitation or construction. **Costs incurred before the grant agreement is fully executed are not eligible for reimbursement**.

The redevelopment challenges/costs should be related to the site’s current or previously developed use. Examples of eligible and ineligible costs include:

Eligible Costs

- Public acquisition*
- Demolition costs (as defined by Minn. Stat. § 116J.572)
- Interior environmental abatement (e.g., asbestos abatement, lead paint abatement, must submit hazardous materials survey)
- Public infrastructure improvements** (e.g., water, sanitary, and storm connections, public sidewalks, public street or sidewalk lighting, public roads, etc.)
- Environmental infrastructure (e.g., stormwater ponding or system, etc.)
- Geotechnical soil correction (must submit a geotechnical soil evaluation)

**Although the statute recognizes acquisition as an eligible expense, DEED will only consider public acquisition, and these costs are only eligible as matching costs.*
***Although these costs are eligible, they should not be the sole costs of the grant request.*

Ineligible Costs

- Construction costs
- Building rehabilitation costs (including interior demolition)
- Environmental remediation (i.e., soil, groundwater, and/or vapor contamination)
- Project/grant administration
- Work performed or fees charged by the grantee or another public entity
- Costs of appraisals or other application costs
- Streetscaping/landscaping (including rain gardens)
- Soft costs (e.g., performance bonds, insurance, etc.)
- Contingencies

GRANT LOCAL MATCH REQUIREMENT:

It is required that the applicant pay for at least 50% of the eligible redevelopment costs as a local match to obtain a redevelopment grant. The match can come from any source available to the applicant. Eligible redevelopment costs incurred up to 12 months prior to the application due date may be included as local match but cannot be reimbursed by DEED. See “Grant Eligible Costs” above. Prior costs should be identified in the Cost Analysis section of the application.

The applicant must complete and adopt the attached resolution authorizing this application and committing the local match from the applicant (see Section VII, Resolutions).

REQUIRED APPRAISALS OR ASSESSMENTS FOR GRANTS:

Current (as-is) and projected (pre-construction) assessed values as determined by the local assessor are required. In lieu of the assessed value, appraisals done by an independent appraiser using accepted appraisal methodology, may be submitted. Values cannot be determined in any other manner. For tax exempt properties without an assessed value, a current market value must be provided.

The value of the property after the proposed development is completed is also required. This estimate is generally based on similar development projects in the city or a tax capacity estimate from the local assessor.

GRANT AWARD CRITERIA:

DEED will award grants to projects that provide the highest return in public benefits for the public costs incurred and meet all the statutory requirements. To evaluate the applications for public benefits with respect to the costs incurred, the law specifies priorities that DEED must consider.

To fulfill this requirement of reviewing applications in an objective and fair manner, the following criteria have been assigned maximum point values to systematically award grants. All assigned scores will be relative to scores awarded to other applications during the same grant round. **An application must receive a minimum of 50 points to be eligible for funding.**

1. Need for redevelopment in conjunction with contamination remediation needs. *Maximum = 15 points.*
2. Redevelopment project meets current tax increment financing requirements for a redevelopment district and tax increments will contribute to the project. *Maximum = 25 points.*
3. Redevelopment potential within the municipality. *Maximum = 85 points.*
4. Proximity to public transit if located in the metropolitan area. *Maximum = 5 points*.
5. Multi-jurisdictional projects that consider the need for affordable housing, transportation, and environmental impact. *Maximum = 15 points.*

Note: application review is a closed process. DEED reviewers may request clarification, but unanswered questions will not receive a score. Additional materials and required attachments will not be accepted after the application deadline without prior request or approval.

DEED has Redevelopment Grant rounds every six months. It is expected that projects are ready to begin grant activities as soon as grant funds are available. If there are one or more grant rounds before grant activities are scheduled to begin, DEED strongly recommends applying in a future grant round that is closer to commencement of the project. Be advised that if awarded, the application will be incorporated into the grant contract. The schedule provided in the application should be as accurate and realistic as possible. **Significant changes to the project and its schedule may result in grant termination.**

EMPLOYMENT AND ECONOMIC DEVELOPMENT

Brownfields and Redevelopment Unit

Redevelopment Grant Application

Applicant (Public Entity) *	Hibbing Economic Development Authority	
Head of Applicant Agency (e.g., Mayor) *Name and Title*	Steve Jurenes, President of Hibbing Economic Development Authority (HEDA)	
Address	401 East 21st St.	
City	Hibbing	Zip Code: 55746
Email of Agency Head	rangergmsteve@yahoo.com	
If the applicant is a city, what form of government?	☐ Home Rule	☒ Statutory City
Project Contact for the Public Entity	Greg Pruszinske, City Administrator	
Phone	(218) 312-1600	
Email	gregpruszinske@hibbingmn.gov	
Address	401 East 21st St	
City	Hibbing	Zip Code: 55746
Project Manager for this project from the Public Entity, in the event of an award*	Jesse Story, City Engineer	
Phone	218-312-1571	
Email	JesseStory@hibbingmn.gov	
Application Author	Greg Pruszinski	
Phone	(218) 312-1600	
Email	gregpruszinske@hibbingmn.gov	

*If awarded, please note that the applicant is responsible for administering the grant and ensuring all grant terms and conditions are met.

PROJECT SUMMARY

ATTACH a summary of the project including the applicant's capacity to manage the grant in the event one is awarded.

I. SITE IDENTIFICATION AND HISTORY

SITE INFORMATION

1. Name of site/project: Jefferson School

   Site address: 2810 Diane Lane

   City: Hibbing   Zip code: 55746

   Site acreage: 10.35

   Property Identification Number(s): 140-0270-00855

   Minnesota Legislative District* in which **the site** is located:

   A: 7a

   B: Click or tap here to enter text.

   *The Minnesota Legislature has an online tool to look up legislative district numbers: [Legislative Website]

SITE OWNERSHIP

2. A. Current property owner(s): Hibbing Economic Development Agency

   When was the property purchased? May 2025

   For what amount? $400,000

   From whom was the property purchased? Sunrise Bakery LLC

   B. Who will develop the site? Vision, Inc.

   Will the developer/affiliate own the property at any time? ☒ Yes ☐ No

   When was/will the property be purchased? March 2027

   For what amount? $1

   C. Who will own the site after development? A single purpose LLC owned by Vision, Inc.

   When was/will the property be purchased? March 2027

   For what amount? $ 1

   D. What is the relationship (if any) between the current owner, the developer, and/or the future owner(s)? No relationship exists between the current owner, developer/future owner.

SITE VALUATION: ASSESSMENT OR APPRAISAL

3. DEED requires an appraisal or current assessed value as shown below. For tax-exempt properties without an assessed value, a current market value must be provided.

ATTACH an appraisal completed by a qualified independent appraiser licensed under chapter 82B using accepted appraisal methodology which shows the current market value of the property. This value should include both the value of the land and, if applicable, any buildings on the Site. Along with the appraisal, please include the projected value after redevelopment activities and development have been completed.

Current Appraised Value	215,000
Projected Value	9,464,450

Or **ATTACH** documentation showing the assessed value of the property for the most recent year, as determined by the local assessor, shown on the most recent valuation notice used under Minn. Stat. § 273.121. Along with the assessed value, please include the projected value after redevelopment activities and development have been completed.

Current Assessed Value	
Projected Value	

MAPS AND SITE FEATURES

4. **ATTACH** accurate and legible site and location maps, showing locations of prominent and relevant site features such as buildings, retaining walls, etc. Maps must include site boundaries, a north arrow and bar scale, and show the following:

   ☒ Current condition of the site including labeled structures.
   ☒ Specifically, where and for what activities DEED money will apply
   ☐ If requesting, geotechnical soil correction location and depth N/A
   ☒ Proposed development of the site including labeled structures.

5. **ATTACH** current (and historic, if available) photographs of the site.

HISTORY

6. Provide the timeline and history of the site. This includes, but is not limited to, when the site was first developed, former and current uses, as well as former and current occupants, etc., and describe what led to the site's current dilapidated condition.

   In August, 1959, the Jefferson School was opened after "stabilization of elementary school enrollment after a decade of continuous growth" (per a Hibbing Daily Tribune Article on August 20, 1959). The 45,000 square-foot school originally contained 18 classrooms and two kindergarten classrooms. It was designed with the "split-level principle of construction," with the southern classrooms' wing comprised of two stories: primary grades housed on the lower level and upper grades above.

   Facilities included a library, multi-purpose gymnasium, auditorium, teachers' workroom and office area (housing the principal's office, outer office, health room, conference room) and equipment and supply room). A portion of the outside play areas to east and west were blacktopped. In 1981, an additional classroom wing was added to the East side of the building, which was estimated to be in use through 1992.

   In January 2002, due to declining enrollment and budget shortfalls, the ISD 701 school board voted to close a school building at the beginning of the 2003-04 school year.

   In 2005 the school was purchased by Sunrise Bakery. Operations included manufacturing, a retail storefront, and wholesale sales through catalogs, their internet site, and several large grocery store chains. In 2009, the building was partially rezoned, and the Hibbing Parents Nursery School moved into the lower, southeast corner of the classrooms' wing, which was walled off from the remainder of the facility.

Food bakery production primarily occupied the original gym space in the northern most, single-level, “wing” of the building, with the remainder of the wing occupied by light/complimentary bakery use (~23,000 sf). The daycare occupied six main level original classrooms in the south, two-story wing, (roughly 6,500 sf). The rest of the building was primarily vacant.

Sunrise Bakery continued to operate out of the Jefferson School until 2025, when it was sold to the Hibbing Economic Development Agency. The daycare subsequently moved out of the building in late fall 2025.

Although the facility had been inhabited through 2025, the building appears to have experienced prolonged neglect and lack of comprehensive maintenance or upgrades. Significantly, leaks in the flat roof have allowed water intrusion into the building causing rot in wood, corrosion in metal, mold and mildew, and weakened, crumbling concrete. So much so, the appraisal report notes it would take “significant capital expenditure” for continued use or redevelopment.

CURRENT AND FUTURE SITE USE

7. Zoning/Land Use:

   A. Current: ☐ Industrial ☐ Commercial ☐ Residential ☐ Mixed-use ☒ Other (Specify) Split zoned: Light industrial and Planned Development District

   B. After Redevelopment: ☐ Industrial ☐ Commercial ☒ Residential ☐ Mixed-use ☐ Other (Specify) Click or tap here to enter text.

8. Current buildings on site:

	Number of buildings	How many are occupied?	If vacant, for how long?
Industrial			
Commercial	1	0	1
Residential			

9. Year building(s) was/were constructed: 1958

10. Describe the current condition of the buildings on site: The school is currently in a state of dilapidation, smelling strongly of mold/mildew and needing serious repair. Per the Adaptive Re-use Study and Appraisal, the school “would require significant capital expenditure for continued use including repair to maintenance deferred/dated items, including mitigation of roof system. Additionally, alternate or redevelopment use would require significant capital expenditure.” Items in disrepair include the roof (with visible water intrusion); exterior panels/brick/façade/etc., and windows and doors. The HVAC is at the end of its life. Most interior finishes have been damaged by water intrusion from the roof and wear/tear of bakery production (2005-2025), and many plumbing/bathroom components and mechanical/utility systems (most of which are original and may be functionally obsolete) have been disconnected or not in use for several years. Externally, the asphalt lots have fallen into disrepair and would need replacement.

11. Describe plans for the existing buildings as redevelopment occurs:

    As the school would require significant capital expenditure for continued or alternate use including repair to maintenance deferred/dated items including mitigation of roof system, and (per the appraisal) its highest and best use is redevelopment, the city plans to demolish the existing building in preparation for development of much needed multifamily housing.

12. Describe **IN DETAIL** the proposed development plan for the site. Include information such as the number and size of buildings, number of housing units, square footage of commercial space, any known future tenants, etc.

    The Jefferson School Redevelopment will offer one, 60,000 SF gross/44,350 SF rentable, three-story, wood-frame multifamily community with 75 dwelling units. The unit mix includes 32 studios ($1,225/month), 35 one-bedroom ($1,425/month), and eight two-bedroom apartments ($1,675/month).

    Units will be finished with quartz countertops, custom cabinetry, stainless steel appliances, and in-unit washer/dryers. The building will include a fitness center, community room, outdoor patio, and dog run. Parking is provided through a combination of enclosed, heated garage stalls and surface parking, resulting in a 2:1 ratio across the 5-acre site.

    Future tenants will include working families and individuals seeking quality rental housing in a connected and accessible neighborhood.

IMPORTANT NOTE: Per Minn. Stat. § 116J.575, Subd. 4, if this redevelopment project fails to substantially provide the public benefits (jobs and taxes) listed in this application within five years of the grant award date, the Commissioner may require that 100 percent of the grant amount be repaid to DEED.

13. Is the proposed development related to the bioscience field? ☐ Yes ☒ No

    If yes, describe: Click or tap here to enter text.

14. Is the proposed development an expansion of an existing Minnesota bioscience business?

    ☐ Yes ☒ No

II. COST ANALYSIS

15. Total redevelopment costs as defined on Page iii: $1,217,316
16. DEED request amount: $450,016

    Note: at least 50% of the total redevelopment costs must be paid with a match source.

17. Describe **IN DETAIL** the specific activities for which DEED funds are being requested:

    Requested DEED funds will be used for asbestos and hazardous materials abatement and demolition of the Jefferson School building.

18. If requesting assistance with geotechnical soil correction, explain how these costs are related to the site's past use and **ATTACH** the site's geotechnical soil evaluation report.

    N/A

19. Complete the budget table below indicating the sources, uses, and amounts of all funds (including TIF, DEED requests, etc.) that will be used for eligible redevelopment costs as defined on Page iii. The table should list the total redevelopment costs, including any costs that have already been incurred.

    The 50% local match can come from any source. Eligible redevelopment activities that have been completed up to 12 months prior to the application due date can count toward local match. If eligible costs have been incurred, attach the invoices. Public acquisition is only eligible as a match cost.

Redevelopment Sources and Uses of Funds for the Project (Budget Table)					
Use of Funds (Activity) (List individually)	**Cost**	**Cost Incurred? Y/N**	**Date Incurred**	**Source of Funds**	**Date Funds Committed***
Legal Fees	244	Yes	Jan 2026	CCDF: 255-46-6500-490	Sept 2025
TIF Building Assessment	7,800	Yes	Nov 2025	CCDF: 255-46-6500-490 IRRR Shovel Ready Grant	Sept 2025
Title Work	250	Yes	Sept 2025	CCDF: 255-46-6500-490 IRRR Shovel Ready Grant	Sept 2025
Survey: Boundary and Topo, Utilities, Encroachments	4,300	Yes	Sept 2025	CCDF: 255-46-6500-490 IRRR Shovel Ready Grant	Sept 2025
Phase I ESA	3,500	Yes	Oct 2025	CCDF: 255-46-6500-490 IRRR Shovel Ready Grant	Sept 2025
Wetland Delineation	4,500	Yes	Oct 2025	CCDF: 255-46-6500-490 IRRR Shovel Ready Grant	Sept 2025

Pre Demo Asbestos and Hazardous Materials Assessment	10,430	Yes	Nov 2025	CCDF: 255-46-6500-490 IRRR Shovel Ready Grant	Sept 2025
Work Plan/ Proj. Coordination	12,617	Yes	Feb 2025 - present	CCDF: 255-46-6500-490	Sept 2025
Acquisition	406,375	Yes	May 2025	City Acquisition Fund	Feb 2025
Abatement	287,300	No	2027	CCDF: 255-46-6500-490 DEED Redevelopment Grant	Pending
Demolition	480,000	No	2027	CCDF: 255-46-6500-490 DEED Redevelopment Grant	Pending
Total	$1,217,316				

Use of Funds (Activity): See Page iii for a list of eligible redevelopment costs. Be specific. List activities individually rather than combining into one line item (e.g., city water connection upgrade, city sanitary connection upgrade, etc.)
Cost: Total cost of the budget line item.
Costs Incurred: Has work on this activity started?
Date Incurred: When was this work done? Give a time range if necessary.
Source of Funds: List the funding sources, including match sources, contributing to each activity.
Date Funds Committed: When were the funds secured from this source?
***ATTACH** documentation of funding commitments.

20. Complete the table below indicating the sources, uses, and amounts of all funds that will be used for development construction.

Construction Sources and Uses of Funds for the Project			
Construction Activity	**Cost**	**Sources of Funds** (list individually)	**Date Funds Committed***
Construction of Building	13,000,000	Bank Loan, IRRR Housing Grant, City/HEDA loan, Equity	LOI July 2026
Site Preparation	1,220,000	IRRR Grant	Pending
Contingency	1,000,000	Equity	Pending
Construction Period Interest	891,049	Equity	Pending
Developer Fee	625,000	Equity	Pending
Architectural and Engineering Fees	500,000	Equity	Pending
Financing / Loan Origination Fee	120,000	Equity	Pending
Total	**$17,356,049**		

Construction Activity: May include building construction or other costs ineligible for Redevelopment.
Commitment Date: If construction financing is pending, list the date closing is anticipated.
***ATTACH** documentation of funding commitments.

21. What are the development's construction costs? Note the tables in question 20 and 21 should have the same total.

Total	$17,356,049
Public	$2,500,000
Private	$14,856,049

22. Is all the construction financing in place for the development of the site? ☐ Yes ☒ No

    If yes, **ATTACH** documentation of funding commitments.

23. If construction financing is not in place, what is the process and timeline to secure the funds and when is closing anticipated?

    Construction finance is pending approval of this grant, the removal of the building, and the approval of the IRRR grant. The developer has been successful securing IRRR grant awards and is optimistic that it will be successful again to support this much-needed project in Hibbing. The first step in supporting any project at this blighted property is the removal of the structure. The developer has equity available for the project which is softly committed, subject to this and the IRRR grant awards.

    ATTACH any letters of interest, term sheets from lenders or other funding sources, and include this information in Section V, Project Schedule.

24. Is the project seeking financial assistance from HUD and/or MHFA?

    ☐ Yes ☒ No

    If yes, where is the project in the HUD and or MHFA financing process?

    N/A

25. Will the development plan proceed without a DEED Redevelopment Grant?

    ☐ Yes ☒ No

    Please explain.

    The City of Hibbing requires DEED Redevelopment Grant assistance because the cost of environmental remediation and demolition of the former school substantially exceeds the property's market value and prevents private redevelopment from occurring. Without grant funding, the site will likely remain vacant and underutilized due to the significant upfront costs associated with asbestos abatement, hazardous material removal, and demolition. The grant will eliminate these barriers, create a shovel-ready site, and leverage future private investment for housing development that expands the tax base, supports workforce attraction, and addresses documented housing shortages in the community.

III. TAX INCREMENT FINANCING (TIF) ANALYSIS

26. Is this project included in a currently established Redevelopment TIF district? ☐ Yes ☒ No

    If yes, **ATTACH** the adopted resolution establishing the Redevelopment TIF district.

27. If not, does the project currently meet TIF requirements for a Redevelopment TIF district?

    ☒ Yes ☐ No

28. If yes, check the following TIF criteria that apply and **ATTACH** documentation (slum and blight analysis, building inspection, etc.) determining Redevelopment TIF qualifications:

    ☒ A. Parcels consisting of 70% of the area of the TIF district must be occupied by buildings, streets, utilities, or other improvements, and more than 50% of the buildings (excluding outbuildings) must be structurally substandard to a degree requiring substantial renovation or clearance; or

    ☐ B. Parcels must consist of vacant, unused, under used, inappropriately used, or infrequently used rail yards, rail storage facilities or excessive or vacated railroad rights-of-way; or

    ☐ C. Tank facilities (see criteria in Minn. Stat. § 469.174, Subd. 10[a][3]); or

    ☐ D. A qualifying disaster area.

29. How much TIF will be used for the project? $4,500,000

    ATTACH a cash flow analysis that indicates how much TIF will be used towards this project.

    If another type of TIF is being used for this project, what type is it? (Housing, pooled, etc.)

    N/A

30. What activities are being financed with TIF? The developer does not intend to leverage the TIF via a note, rather they will use the expense reduction support a larger 1st mortgage.

31. What is the maximum amount of TIF that can be generated? $4,500,000

32. If TIF is not being used fully, or at all, explain why:

    N/A

33. Is there a gap in financing after applying TIF? ☒ Yes ☐ No

    If yes, how much is the gap? $2,500,000 million ($2M from IRRR, $500k from the City)

IV. ANALYSIS OF REDEVELOPMENT POTENTIAL

34. Describe how redevelopment of this site will spur future development of adjacent sites by identifying nearby properties with redevelopment potential.

    The Jefferson School project is located within ¼ mile of Hibbing's Highway 169 commercial corridor. U.S. Highway 169, a.k.a. the "Beltline," is the only U.S. Highway to run through the community, and it is the city's main thoroughfare. The Beltline is zoned mixed use commercial/light industrial.

    The immediate neighborhood surrounding the Jefferson School is mixed in use (commercial, single family residential and multi-family residential). South of the school lies vacant/primarily publicly owned lands. While the immediate neighborhood is not within an identified revitalization neighborhood, it has been identified by stakeholders as an opportunity for multi-family housing, community spaces, and economic development.

    Redevelopment of the Jefferson School site into multi-family housing will provide much needed housing, expanding the tax base, supporting workforce attraction, and addressing documented housing shortages in the community. Importantly, it will also remove blight (reducing crime) and improve market confidence.

35. Describe the relative adequacy of the infrastructure at the site.

    Infrastructure to the building is assumed adequate, as the building was still occupied in 2025. All utilities have been turned off since late fall 2025. The street in front of the building is in "rough shape," per the Director of City Services.

    Per the appraisal, the roof is in disrepair (with visible water intrusion) as are the exterior panels/brick/façade/etc., windows and doors. The HVAC is at the end of its life. Most interior finishes have been damaged by water intrusion from the roof and wear/tear of bakery production (2005-2025), and many plumbing/bathroom components and mechanical/utility systems (most of which are original and may be functionally obsolete) have been disconnected or not in use for several years. Externally, the asphalt lots have fallen into disrepair and would need replacement.

36. **ATTACH** the most recent data on criminal activity at the site. Describe how redevelopment of the site will reduce crime.

    The Jefferson School was vacated in fall 2025. Thus far crime has been minimal. However vacant, schools and buildings signal neighborhood neglect and are known to attract crime, attracting thrill-seekers, scrappers seeking metal, and vandals. They are associated with localized spikes in crime and arson.

    The city would like to eliminate this potential by removing the school and eliminating the opportunity for crime. Redevelopment into market rate housing will increase natural surveillance, revitalize a blighted area, and increase property values and investment.

37. Has the site been found or suspected to be contaminated? ☒ Yes ☐ No

    If yes, describe the type of contamination: The December 2025 Pre-Demolition Asbestos and Hazardous Materials Assessment found various items identified as potential hazardous material: 4 mercury containing thermostats, two boilers, water heater tank, pressure tank, three chest freezers, industrial oven, walk-in cooler, approximately 25 hydraulic door rams, five exit signs, approximately 1,000 4-foot fluorescent bulbs, hydraulics for the three AHU's, a window air conditioning unit and two compressors. In addition, samples from floor tiles, mastic, light fixture insulation, and mudded joints on insulation were found to contain asbestos.

Check all that have been completed:

☒ Phase I ESA
☐ Phase II ESA
☐ Response Action Plan (RAP)
☐ MPCA RAP Approval
☒ Hazardous Material Survey (**ATTACH** if requesting assistance for abatement)

What are the anticipated remediation costs? $287,300

What are the sources of funding for contamination cleanup? CCDF: 255-46-6500-490
DEED Redevelopment Grant

38. Have all the required local approvals/entitlements necessary for this project to proceed been obtained (planning commission, zoning, etc.)? ☐ Yes ☒ No

If yes, **ATTACH** council action/minutes or other documentation to confirm.

If not, what approvals remain and what is the timeline for obtaining these approvals? Include this information in Section V, Project Schedule.
A predevelopment agreement has been signed by the developer and City prior to the grant submission. A development agreement is being drafted, and it will go to City Council for final approval at the regularly scheduled October 2027 meeting. Once the demolition grant funds are secured, the development agreement will be finalized, approved, and executed.

PROPERTY TAX INFORMATION

39. What are the current property taxes (as determined by the County or City Assessor) for the site:

$0 (the site is publicly owned)

ATTACH a current property tax statement for each parcel.

40. What are the projected property taxes after development is completed: $214,000

How was this figure determined? This number was determined by using St. Louis County tax information and forecasting total taxes using the proforma. This project will be setting the market for new multifamily; the newest multifamily project was constructed in 2015 and does not have the same level of amenities.

JOB CREATION

41. Project the number of new full-time equivalent (FTE) jobs to be created after redevelopment and development of the site is completed. These should include permanent jobs that did not exist in Minnesota prior to development and do not include temporary or construction jobs.

Total New Jobs: 0 FTEs

New Jobs Table

Position Title	Total # of Full-Time Jobs (FTE)	Total # of Part-Time Jobs	Part-time Hours Per Week	Expected Hiring/Start Date
Building Manager	1	0	40	March 2028
Leasing agent	0	1	20	March 2028

JOB RETENTION

42. Project the number of retained FTE jobs after redevelopment and development of the site is completed. These should include permanent jobs that existed either on-site or elsewhere in Minnesota prior to development.

    Total Retained Jobs:0 FTEs

Retained Jobs Table

Position Title	Total # of Full-Time Jobs (FTE)	Total # of Part-Time Jobs	Part-time Hours Per Week	Former Location of Retained Jobs

HOUSING DATA

43. If the site will be redeveloped for residential use, provide the following data:

    RENTAL:

Total number of units	75
Monthly rental cost per unit	$1442
Number of affordable units*	0
Level of affordability	70-80%
Construction cost per unit	$231,413

OWNER OCCUPIED:

Total number of units	0
Purchase price per unit	$
Number of affordable units/homes*	NA
Level of affordability	NA
Construction cost per unit	$NA

*For purposes of this program, DEED considers affordable housing to be at or below 60% area median income (AMI).

OTHER PUBLIC BENEFITS

44. Is this a multi-jurisdictional project (a joint application, joint powers agreement, joint development agreement, etc.)? ☐ Yes ☒ No

    If yes, describe how the project is multi-jurisdictional and **ATTACH** any joint agreements.

    NA

    Note: projects with other state agencies and/or the Metropolitan Council are not considered multi-jurisdictional projects.

45. What positive environmental benefit does this project have to the state and region? The new apartment residence will be much more energy efficient than much of the housing stock currently available in Hibbing. Residents will consume less energy thereby reducing greenhouse gas emissions. New appliances will help conserve resources. The project is located near several job centers, enabling some

number of the 4,500 commuters who drive in Hibbing to work each day in to reduce their drive-time, thereby reducing carbon emissions and wear on our roadways.

46. Does the project advance or promote the growth of the green economy as defined in Minn. Stat. § 116J.437? ☐ Yes ☒ No

    If yes, describe how the project advances or promotes the growth of the green economy in Minnesota:

    Click or tap here to enter text.

PROXIMITY TO PUBLIC TRANSIT

47. **ATTACH** any local transit schedules and highlight the lines that serve the project site or nearby area. If a regularly scheduled route does not serve the area, please provide information about other forms of transit that serve the community.

    Arrowhead Transit is the regional bus service provider in northeastern Minnesota which took over intercity bus services August 2024. Arrowhead Transit currently provides transit via dial-a-ride with regular stops at Walmart, the Hibbing Library and Super One.

DEVELOPER/END-USER/TENANT COMMITMENT

48. If there is a developer, complete the following and **ATTACH** a letter of commitment.

Developer	Vision, Inc.
Contact Person	Ryan Nelson
Title	Owner
Phone Number / Email	218-590-8983

49. If there is an end-user or third party, such as a business tenant, complete the following and **ATTACH** a letter(s) of commitment.

Third Party/Company Name	NA
Contact Person	
Title	
Phone Number / Email	

V. PROJECT SCHEDULE

50. Provide a detailed schedule outlining the individual tasks necessary to complete the project. This includes redevelopment and development tasks and activities such as, but not limited to, site acquisition, local approvals (entitlements, TIF, etc.), financing commitments, abatement, demolition, development construction start and end date, and any other project activities.

IMPORTANT NOTE: Per Minn. Stat. § 116J.575, Subd.4, if this redevelopment project fails to substantially provide the public benefits (jobs and taxes) listed in this application within five years of the grant award date, the Commissioner may require that 100 percent of the grant amount be repaid to DEED.

DEED has redevelopment grant rounds every six months. It is expected that projects are ready to begin grant activities as soon as grant funds are available. If there are one or more grant rounds before grant activities are scheduled to begin, DEED strongly recommends applying in a future grant round that is closer to commencement of the project. Premature applications increase the likelihood that public benefits will not be achieved within five years thus requiring grant repayment.

If awarded, this schedule will be incorporated into the grant contract. Be as accurate and realistic as possible. Significant changes to this schedule may result in grant termination.

Scheduled Tasks

Task	2025												2026												2027											
	Jan	Feb	Mar	Apr	Ma	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	Ma	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	Ma	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Appraisal – Dec 2024																																				
Work Plan/ Proj. Coordination					x	x	x	x	x	x	x	x	x	x					x	x	x															
Demo Estimates					x	x																														
Title Work									x																											
TIF Building Assessment											x	x																								
Survey: ALTA, Utilities, encroachments,											x	x																								
Phase I ESA										x																										
Asbestos Inspection and Hazardous Materials Surveys											x	x																								
Legal														x																						
Developer Term Sheet Approval																			x																	
Grant Award Notification																							x													
Development Agreement Approval																								x												
Public Bid Process																									x											
Abatement/Demolition																										x	x	x	x	x	x					

Land Conveyance																															x					
Architecture & Engineering																								x	x	x	x	x	x	x	x	x	X			
Fees/Permits																																	x			
Construction																																		x	x	x

Redevelopment activities start date: 5/1/2025
Redevelopment activities completion date: 8/1/2027
Construction completion date: 3/1/2029
Benefits achievement date: 5/1/2029

51. Please list any factors which would change or delay this schedule. Integral to this project is the timely securing of Mn DEED Demolition Grant funds to complete remediation and demolition of school, thereby allowing the provision of a shovel ready site to the developer in Fall 2027.

VI. PAYMENT INFORMATION

52. To receive payment from DEED, a SWIFT Vendor Number (with Location Code) assigned by Minnesota Management and Budget is required. For prompt payment, ensure the Vendor Number and Location Code are set up to allow electronic funds transfer (EFT) or Automated Clearing House (ACH) payment. State Vendor information may be found at: Supplier Portal

Applicant's Financial Contact	Sheena Mulner
Phone	218-312-1602
Email	sheenamulner@hibbingmn.gov
Applicant's SWIFT Remit To Vendor Number and Location Code	00000198396-001
Address Associated with SWIFT Vendor Number and Location Code	401 E. 21st St., Hibbing, MN 55746

VII. RESOLUTIONS

53. Resolutions must be adopted prior to the application deadline and submitted with the application. The two required elements are:
    A. A resolution from the governing body of the city where the project site is located, which approves the application.
    B. A resolution from the applicant committing the local match and authorizing contract signatures**.** **Note**: Pursuant to Minn. Stat. § 412.201, **Statutory Cities must authorize the Mayor and Clerk to execute all contracts.**

Blank resolution templates are included on the following pages. The applicant may choose to reformat or combine them, but the adopted resolution must include all the following statements. **Resolutions that do not contain all statements will not be accepted.**

RESOLUTION #1: Municipality Approving the Application

BE IT RESOLVED that the _______________________ (Municipality of project location) has approved the Redevelopment Grant application submitted to the Department of Employment and Economic Development (DEED) on ______________ (Date), by________________ (Applicant) for the ___________________(Site name) site.

I certify that the above resolution was adopted by the city council on ________________ (Date)

Signed: ___________________________ (Authorized Official)

Title: _____________________________

Date: _____________________________

Witnessed by: __________________________

Title: ______________________Date: __________________

RESOLUTION #2: Committing the Local Match and Authorizing Contract Signature

BE IT RESOLVED that____________________ (Applicant) act as the legal sponsor for project(s) contained in the Redevelopment Grant Program application to be submitted on ____________(Date), and that _____________________(Title of Authorized Official) is hereby authorized to apply to the Department of Employment and Economic Development for funding of this project on behalf of ____________ (Applicant).

BE IT FURTHER RESOLVED that_______________________ (Applicant) has the legal authority to apply for financial assistance, and the institutional, managerial, and financial capability to ensure adequate project administration.

BE IT FURTHER RESOLVED that the sources and amounts of the local match identified in the application are committed to the project identified.

BE IT FURTHER RESOLVED that if the project identified in the application fails to substantially provide the public benefits listed in the application within five years from the date of the grant award, __________________ (Applicant) may be required to repay 100 percent of the awarded grant per Minn. Stat. § 116J.575, Subd. 4;

BE IT FURTHER RESOLVED that _________________ (Applicant) has not violated any Federal, State, or local laws pertaining to fraud, bribery, graft, kickbacks, collusion, conflict of interest or other unlawful or corrupt practice.

BE IT FURTHER RESOLVED that upon approval of its application by the state,_______________________ (Applicant) may enter into an agreement with the State of Minnesota for the above-referenced project(s), and that _______________ (Applicant) certifies that it will comply with all applicable laws and regulation as stated in all contract agreements.

NOW, THEREFORE BE IT FINALLY RESOLVED that the Mayor and the Clerk (for Statutory Cities), or Title of Authorized Official(s), are hereby authorized to execute such agreements as are necessary to implement the project on behalf of the applicant.

Note: *Do not include the name, only the title of the official(s).*

Pursuant to Minn. Stat. § 412.201, Statutory Cities must authorize both the Mayor and Clerk to execute all contracts, whereas Home Rule Charter Cities or other public entities may differ.

I CERTIFY THAT the above resolution was adopted by the ________________ (City Council, County Board, etc.)

of ____________________________ (Applicant) on _____________________ (Date)

____	____
SIGNED: (Authorized Official)	WITNESSED BY:
____	____
(Title and Date)	(Title and Date)

VIII. Applicant Disclosures and Certifications

Applicant Conflict of Interest Disclosure Form

This form gives applicants and grantees an opportunity to disclose any actual or potential conflicts of interest that may exist when receiving a grant. It is the applicant/grantee's obligation to be familiar with the Office of Grants Management (OGM) Policy 08-01: Grants Conflict of Interest (Current Policies tab) and to disclose any conflicts of interest accordingly.

All grant applicants must complete and sign a conflict-of-interest disclosure form.

☒ I or my grant organization do NOT have an ACTUAL or POTENTIAL conflict of interest.

If at any time after submission of this form, I or my grant organization discover any conflict of interest(s), I or my grant organization will disclose that conflict immediately to the appropriate agency or grant program personnel.

☐ I or my grant organization have an ACTUAL or POTENTIAL conflict of interest.

(*Please describe*): Click or tap here to enter text.

If at any time after submission of this form, I or my grant organization discover any additional conflict of interest(s), I or my grant organization will disclose that conflict immediately to the appropriate agency or grant program personnel.

Printed name: Greg Pruszinske

Signature: ___________________________________

Organization: City Of Hibbing

Date: July 23, 2026

Applicant Pre-Award Risk Assessment

The Department of Employment and Economic Development (DEED) is in the process of completing the pre-award risk assessment. The finalized assessment will be distributed via email to grantees upon completion.