

REVISED

ATTENDANCE:

Member Steve Jurenes	_____	Pete Hyduke, City Administrator	_____
Member Jennifer Hoffman Saccoman	_____	Candie Seppala Sr. Executive Assistant	_____
Vice President Rick Cannata	_____	Sheena Mulner, City Clerk-Treasurer	_____
Member Roger Kivela	_____	Andy Borland, City Attorney	_____
Member Shelly Hanson	_____	John Tourville, Special Projects	_____
Member John Schweiberger	_____		
President Shari Majkich Brock	_____		

CALL HEDA MEETING TO ORDER:

ADDITIONS/DELETIONS:

- **ADD: MINUTES**
- **DELETE: CONSENT AGENDA #3**
- **ADD: BOARD REPORTS #1 & #2**

APPROVAL OF MINUTES:

- **Approve the Minutes of the Regular Meeting of Hibbing Economic Development Authority of September 22, 2021**
- **Approve the Minutes of the Special Meeting of Hibbing Economic Development Authority of October 6, 2021**

BOARD REPORTS:

1. Authorize the HEDA Loan of MCKB Properties LLC in the amount of \$40,000 with an interest rate of 2% for 5 years
2. Authorize the HEDA Loan of Rudi's Pizza of Hibbing LLC in the amount of \$50,000 with an interest rate of 2% for 5 years

ADJOURNMENT:

Cannata, Member Jennifer Hoffman Saccoman, Member Roger Kivela, Member John Schweiberger, Member Shelly Hanson, and Member Steven Jurenes. Also present were City Administrator Pete Hyduke, Sr. Executive Assistant Candie Seppala, City Clerk-Treasurer Sheena Mulner, and City Attorney Andy Borland.

Vice President Cannata, supported by Member Jurenes, moved to go into Closed Session. The meeting is closed due to Attorney Client Privilege MNSTATUTE Section 13d which provides for public bodies to go into closed session when there is pending litigation.

Motion CARRIED

ADDITIONS/DELETIONS:

- **ADD: CLOSED SESSION FOR ATTORNEY CLIENT PRIVILEGE**
- **ADD: BOARD REPORTS #1 & #2**

APPROVAL OF MINUTES:

Member Kivela, supported by Vice President Cannata, moved to approve the Minutes of the Regular Meeting of Hibbing Economic Development Authority for August 25, 2021.

Motion CARRIED

CONSENT AGENDA:

Member Hoffman Saccoman, supported by Member Schweiberger, moved to approve Consent Agenda Item #1 - #5.

Motion CARRIED

BOARD REPORTS:

Authorize the following COVID – 19 Business Assistance HEDA Loans. No repayment on the loans will be due for the first six months followed by 60 months of principal payments.

- a. Margate Const. Legend Homes LLC - \$30,000

Sr. Executive Assistant Candie Seppala explained that this is a loan that was discussed at the Working Session on Monday night. Bruce Eichorn owns Margate Construction Legend Homes LLC. He is looking for a \$30,000 loan. About a year and a half ago, Mr. Eichorn purchased the Forest Heights Townhomes. HEDA gave a loan to help Mr. Eichorn purchase the townhomes. He finished one of the townhomes and sold it. There are two remaining townhomes, and this loan would give him an additional 6 months of no payments. He can finish the homes and get them ready for sale.

The requirements are keeping employees employed, keeping businesses open from the pandemic and through the pandemic, making sure all obligations are paid to other agencies. Margate Construction Legend Homes LLC meets all of the requirements. This loan brings the total that HEDA has loaned out to the community to \$795,000.

Member Kivela, supported by Member Jurenes, moved to authorize the following COVID-19 Business Assistance HEDA Loan to Margate Construction Legend Homes with no repayment on the loan due for the first six months, followed by 60 months of principal only payments.

Motion CARRIED

CALL TO ORDER: Vice President Rick Cannata called the meeting to order at 4:45 p.m.

ATTENDANCE: Present at roll call were Vice President Rick Cannata, Member Jennifer Hoffman Saccoman, Shelly Hanson, and Member Steven Jurenes. President Shari Majkich Brock, Member Kivela, and Member Schweiberger were absent. Also present were City Administrator Pete Hyduke, Sr. Executive Assistant Candie Seppala, City Clerk-Treasurer Sheena Mulner, and City Attorney Andy Borland.

CONSENT AGENDA:

Member Hoffman Saccoman, supported by Member Jurenes, moved to approve Consent Agenda Item #1.

Motion CARRIED

1. Authorize the Subordination Agreement of Jennie L. Damjanovich (Hardwater, Inc.) to Security State Bank

ADJOURNMENT: There being no further business, the meeting was adjourned at 4:47 p.m. by Member Hanson, supported by Member Jurenes.

Motion CARRIED

Vice President Rick Cannata

Sr. Executive Assistant Candie Seppala

Hibbing, MN 55746

Customer ID	Customer PO	Payment Terms	
Hibbing EDA		Net 30 Days	
Sales Rep ID	Shipping Method	Ship Date	Due Date
	Courier		10/31/21

Quantity	Item	Description	Unit Price	Amount
		Hibbing Animal Shelter Ground Lease--Oct 2021		300.00

Re: Hyduke
City Administrator
City of Hibbing
401 East 21st Street
Hibbing, Minnesota 55746

cc: Candie Seppala
Senior Executive Assistant
City of Hibbing
401 East 21st Street
Hibbing, Minnesota 55746

Date	Services Provided	Time
Legal Services to Hibbing Economic Development Authority (HEDA) for the month of September 2021, including the following:		
09/01/21	Review and revise Complaint	.250
09/02/21	E-mail to city officials regarding Show	.125
09/09/21	Return call to Lloyd Show	.125
09/14/21	Listen to message from Lloyd Show; calls to and from Lloyd Show; call Theresa Tourville of Human Resources	.375
09/15/21	Prepare letter to Lloyd Show	.375
09/20/21	Review Working Session and regular meeting Agendas	.125
09/20/21	Working Session Meeting	1.375
09/21/21	E-mail to City Clerk Sheena Mulner regarding RMB Environmental	.375
09/22/21	Board Meeting	.625
09/23/21	Prepare directive for HEDA loan to Margate Const. Legend Homes LLC ..	.125
09/28/21	E-mail Senior Executive Assistant Candie Seppala regarding loan documents	.125

Please detach here. Return this portion with your payment. Thank you.

Professional services rendered for the month of October 2021.

3,300.00

Receipts

09/15/2021 Payment

3,300.00

Total Receipts: 3,300.00

Total Current Billing: 3,300.00

Previous Balance Due: ~~6,600.00~~ pd

Total Payments Received: -3,300.00

Total Now Due: ~~6,600.00~~

255 46 6500-301\$ 1,650

Authorize changing the temporary \$400 stipend per pay period for the Senior Executive Assistant to the Administrator & City Council/HEDA be incorporated into the base salary of said position effective October 9, 2021.

Theresa J. Tourville
Human Resources Director
City of Hibbing
401 East 21st Street
Hibbing, Minnesota 55746
218-362-5932 Phone
218-312-1574 Fax

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Phone:

Name of Business:

Address:

Phone:

~~MCK PROPERTIES, LLC~~ MCKB Properties
2121 1st Ave
218 969 6048 or 218 969 6058
LLC

Business is:

☒
☐

new business start-up

existing business

_____ number of years \$ _____ equity in business

Briefly describe your business, including such information as products and services provided, general market area served, and any other information you feel may be appropriate: _____

Commercial & residential rental spaces.

Hibbing and it surrounding communities we will serve

Briefly describe the proposed project for which you are seeking assistance: _____

Renovations of the Building - electrical, HVAC,
Windows, Doors, Floors, Carpentry,
Masonry / structural repairs,

Use of Proceeds

Fixed Assets

Amount

Land and building acquisition \$ _____

Land improvements _____

New building construction _____

Building renovation _____

Sources

Amount to be financed:

Amount

Source

Rate

Term

Equity

HEDA

2 % 5 yrs

\$

\$

40,000

PLEASE PROVIDE DETAIL TO THE FOLLOWING THREE COLLATERAL QUESTIONS. 1. What collateral do you have available which can be used as security for the proposed financing? 2. What is its estimated value? 3. Is this collateral subordinate to any other loan? If so, please provide details.

~~2 vehicles - \$90,000~~ YES

2nd on the Building

What experience or other qualifications do you have for operating this business?

We have over 20 combined years of running successful businesses, we also have surrounded ourselves with a variety of support professionals to guide us through various aspects

I have reviewed the proposal described above. Based on this preliminary review and discussion, our Bank is interested in participating in the financing of this project assuming the following:

- ☐ A complete application will be completed by the business/individual named herein
- ☐ All information requested by the HEDA and/or our Bank is provided in satisfactory form,
- ☐ The economic feasibility of the proposed project is demonstrated to our satisfaction.

Furthermore, I understand that this indication of interest to participate with the HEDA in financing the project described herein, does not obligate this Bank to actually approve such financing unless and until the above mentioned conditions, and any other which this Bank may reasonably request have been met to the full satisfaction of this Bank, and a letter to that effect, signed by an officer of this Bank, has been delivered to the Hibbing Economic Development Authority Board.

Name of Bank:

Security State Bank

Name of Officer:

Aaron Clusian

Phone Number:

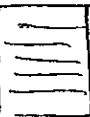
Signature:

Title:

Garage #3

220 sq. ft

BATHROOM



UTILITIES

CARDIO
& PILATES
215 sq. ft

1-Bedroom Apt

325 sq. ft

Hallway



FITNESS



Bathroom

Bathroom

Maintenance
Room

64

on Grounds

of

Roof top

290 sq. ft

280 sq. ft

closet

Bathroom

Bathroom



29'

2-BEDROOM
PENTHOUSE

67'

evitalization

and Working Capital through HEDA

Amount	Source	Amount	% of Proj
\$ 130,000	Security State Bank	\$ 104,000	31
\$ 61,500	Owners - Building Purchase	\$ 26,000	1
\$ 53,500	Owners - Renovations	\$ 14,000	2
\$ 20,000	HEDA - Renovations/Working Capital	\$ 100,000	31
\$ 12,000	BER Grant	\$ 20,000	6
\$ 13,000	DBR Grant	\$ 16,000	4
\$ 20,000	Additional Gap/Bank Funding	\$ 45,500	14
\$ 15,500			
\$ 325,500		Total Sources: \$ 325,500	

Renovations and/or Working Capital

Amount	Source	Amount
\$ 130,000	Security State Bank	\$ 104,000
\$ 61,500	Owners - Building Purchase	\$ 26,000
\$ 53,500	Owners - Renovations	\$ 14,000
\$ 20,000	HEDA - Renovations/Working Capital	\$ 60,000
\$ 12,000	BER Grant	\$ 20,000
\$ 13,000	DBR Grant	\$ 16,000
\$ 20,000	Additional Gap/Bank Funding	\$ 85,500
\$ 15,500		
\$ 325,500		Total Sources: \$ 325,500

Reed Building Purchase and Revitalization
Mikal and Melissa Brown

Option 1 - Renovation Funds and Working Capital through HEDA

Use	Amount	Source	Amount	% of Project
Building Purchase	\$ 130,000	Security State Bank	\$ 104,000	32%
Energy Efficiency Improvement:	\$ 61,500	Owners - Building Purchase	\$ 26,000	8%
Code-Related Improvements	\$ 53,500	Owners - Renovations	\$ 14,000	4%
Other Renovations	\$ 20,000	HEDA - Renovations/Working Capital	\$ 100,000	31%
Startup Costs	\$ 12,000	BER Grant	\$ 20,000	6%
Working Capital	\$ 13,000	DBR Grant	\$ 16,000	5%
Masonry/Structural	\$ 20,000	Additional Gap/Bank Funding	\$ 45,500	14%
Contingency	\$ 15,500			
Total Uses:	\$ 325,500	Total Sources:	\$ 325,500	

Option 2 - Partial Funding of Renovations and/or Working Capital

Use	Amount	Source	Amount	
Building Purchase	\$ 130,000	Security State Bank	\$ 104,000	32%
Energy Efficiency Improvement:	\$ 61,500	Owners - Building Purchase	\$ 26,000	8%
Code-Related Improvements	\$ 53,500	Owners - Renovations	\$ 14,000	4%
Other Renovations	\$ 20,000	HEDA - Renovations/Working Capital	\$ 60,000	18%
Startup Costs	\$ 12,000	BER Grant	\$ 20,000	6%
Working Capital	\$ 13,000	DBR Grant	\$ 16,000	5%
Masonry/Structural	\$ 20,000	Additional Gap/Bank Funding	\$ 85,500	26%
Contingency	\$ 15,500			
Total Uses:	\$ 325,500	Total Sources:	\$ 325,500	

Reed Building Purchase and Revitalization
Mikal and Melissa Brown

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Other Renovations	\$ 20,000	HEDA - Renovations/Working Capital	\$ 100,000	31%
Startup Costs	\$ 12,000	BER Grant	\$ 20,000	6%
Working Capital	\$ 13,000	DBR Grant	\$ 16,000	5%
Masonry/Structural	\$ 20,000	Additional Gap/Bank Funding	\$ 45,500	14%
Contingency	\$ 15,500			
Total Uses:	\$ 325,500	Total Sources:	\$ 325,500	

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Other Renovations	\$ 20,000	HEDA - Renovations/Working Capital	\$ 60,000	18%
Startup Costs	\$ 12,000	BER Grant	\$ 20,000	6%
Working Capital	\$ 13,000	DBR Grant	\$ 16,000	5%
Masonry/Structural	\$ 20,000	Additional Gap/Bank Funding	\$ 85,500	26%
Contingency	\$ 15,500			
Total Uses:	\$ 325,500	Total Sources:	\$ 325,500	

Name of Applicant(s): Anthony Larson
Address: 1105 Springfield Rd Hibbing mn 55746
Phone: 218-969-5996

Name of Business: Rudi's Pizza of Hibbing
Address: 710 E Howard St Hibbing mn 55746
Phone: 218-263-6545

Business is: ☐ new business start-up
☒ existing business 53 number of years \$ _____ equity in business

Briefly describe your business, including such information as products and services provided, general market area served, and any other information you feel may be appropriate: Rudi's Pizza of Hibbing

Services include pizza, pasta, subs, salads and fried food, drinks.

Briefly describe the proposed project for which you are seeking assistance: I am trying to purchase an existing Restaurant which is Rudi's pizza.

Use of Proceeds

Fixed Assets	Amount
Land and building acquisition	\$ <u>550,000</u>
Land improvements	_____
New building construction	_____
Building renovation	_____
Purchase machinery/equipment	_____

Sources

Amount to be financed:	Amount	
Source	Rate	Term
Equity (sub debt held by seller)	\$ <u>150,000</u>	
HEDA	____%	____yrs
		\$ <u>50,000</u>

This Policy has been established to guide HEDA and staff on the disbursement of HEDA loan funds:

Business Name: Rudi's Pizza

Loan Amount: 50,000.00

Interest rate: _____

Term: _____

Date: 9-8-2021

1. HEDA and the participating bank shall enter into a "Participation Agreement" which shall address the following points:

- _____ a. All loan documents including Personal Guarantee
- _____ b. Certificate of Participation
- _____ c. Description of Collateral and Parties Security Interest Therein
- _____ d. List of Participation interests sold to other participants
- _____ e. Additional Covenants, Terms and Conditions

_____ 2. Attorney review and signature: _____

_____ 3. HEDA Executive Director review and signature: _____

_____ 4. HEDA Clerk review and signature: _____

_____ 5. Finance Director to execute check to participating bank

File Number

1256574300023

Home Jurisdiction

Minnesota

Filing Date

9/20/2021

Status

Active / In Good Standing

Renewal Due Date

12/31/2022

Registered Office Address11105 Spudville Road
Hibbing, MN 55746
USA**Registered Agent(s)**

Anthony Larson

Filing History**Filing History**Select the item(s) you would like to order: Order Selected Copies

☐	Filing Date	Filing	Effective Date
☐	9/20/2021	Original Filing - Limited Liability Company (Domestic) (Business Name: Rudi's Pizza of Hibbing LLC)	