

**THE MINUTES OF THE REGULAR MEETING OF THE
HIBBING ECONOMIC DEVELOPMENT AUTHORITY
Wednesday, April 14, 2021**

TIME AND PLACE: A Regular Meeting of the Hibbing Economic Development Authority was held on Wednesday, April 14, 2021, at 5:00 p.m. in person and via ZOOM.

CALL TO ORDER: President Shari Majkich Brock called the meeting to order at 5:00 p.m.

ATTENDANCE: Present at roll call were President Shari Majkich Brock, Vice President Rick Cannata, Member Jennifer Hoffman Saccoman, Member Steven Jurenes, and Member John Schweiberger. Member Roger Kivela was absent. Also present were City Attorney Andy Borland, City Administrator Tom Dicklich, Sr. Executive Assistant Candie Seppala, and City Clerk-Treasurer Mary Ann Kepler.

ADDITIONS/DELETIONS:

- **ADD: BOARD REPORTS #2, #3, #4 & #5**

APPROVAL OF MINUTES:

Vice President Cannata, supported by Member Schweiberger, moved to approve the minutes of the Regular Meeting of Hibbing Economic Development Authority for March 17, 2021

Roll-Call Vote:

Member Jennifer Hoffman Saccoman	Yes
Vice-President Rick Cannata	Yes
Member Roger Kivela	Unanswered
Member John Schweiberger	Yes
Member Steve Jurenes	Yes

Motion CARRIED (Member Kivela was not connecting to the Zoom Call)

CONSENT AGENDA:

Member Hoffman Saccoman, supported by Member Jurenes, moved to approve Consent Agenda Item #1 - #4.

Motion CARRIED

- Affirm Economic Development Loan Fund balance as of March 31, 2021 in the amount of **\$ 478,485.11**
- Approve disbursements for the month of March, 2021 in the amount of **\$2,772.50**

Chisholm Hibbing Airport Authority (April, 2021 rent)	\$ 300.00
Sellman Borland Simon Law Office/HEDA March, 2021	\$ 822.50
Lockridge Grindal Nauen P.L.L.P. – April, 2021	\$ 1,650.00

- Set the HEDA Working Session for Monday, April 19, 2021 at 5:00 pm, City Hall Council Chamber in person and via Zoom
- Set the Regular Meeting of HEDA for Wednesday, April 21, 2021 at 5:00 p.m. in the City Hall Council Chamber in person and via Zoom

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.

- | | |
|---------------------------------------|----------|
| • Moxie LLC | \$40,000 |
| • Blue Moon Appliance | \$40,000 |
| • Advanced Machine Guarding Solutions | \$25,000 |

City Administrator Tom Dicklich explained that three new businesses filled out the COVID – 19 Business Assistant HEDA Loan applications and were discussed at the April 14, 2021 HEDA Working Session.

Moxie LLC **\$40,000**

City Administrator Tom Dicklich explained that the first loan is for Moxie LLC in the amount of \$40,000.

Member Schweiberger, supported by Vice-President Cannata, moved to authorize the following COVID-19 Business Assistance HEDA Loan to Moxie LLC in the amount of \$40,000. No repayment on the loan will be due for the first six months followed by 60 months of principal payments.

Motion CARRIED

Blue Moon Appliance and Home Center **\$40,000**

City Administrator Tom Dicklich explained that the next loan is for Blue Moon Appliance and Home Center.

Member Jurenes, supported by Member Jurenes, moved to authorize the COVID-19 Business Assistance HEDA Loan to Blue Moon Appliance and Home Center in the amount of \$40,000 with no repayment on the loan due for the first six months, followed by 60 months of principal payments.

Motion CARRIED

REGULAR HEDA MEETING APRIL 14, 2021

Advanced Machine Guarding Solutions **\$25,000**

City Administrator Tom Dicklich explained that the third loan is for Advanced Machine Guarding Solutions. This group has already come forward and utilized this money. It was discussed at the Working Session. This was a little different as this was an OK from the IRRRB to use their money to use for some upgrades that they need on electrical. This loan will be forgivable as they will be doing upgrades to a building that the City of Hibbing owns. There is no match to these funds. The City of Hibbing doesn't do forgivable loans. This is IRRRB money from the COVID dollars that we got OK'd to use to do this. The reason we are doing this is because they are upgrades to a building we already own.

Vice President Cannata, supported by Member Schweiberger, moved to authorize the COVID-19 Business Assistance HEDA Loan to Advanced Machine Guarding Solutions a forgivable loan with IRRRB dollars in the amount of \$25,000 to pay for the upgrades to a building that the City of Hibbing owns.

Motion CARRIED

Authorize the HEDA Loan of Tromco Electric LLC in the amount of \$50,000 with an interest rate of 2% for 10 years with 2 years interest only and amortized for 8 years thereafter.

City Administrator Tom Dicklich explained that this was discussed at the Working Session. Mr. Dan Murden stated he would like to use the money from the loan for equipment to upgrade his trucks with ladder racks and to purchase an equipment trailer.

Member Hoffman Saccoman, supported by Member Jurenes, moved to authorize the request of Dan Murden of Tromco Electric LLC in the amount of \$50,000 with an interest rate of 2% for 10 years with 2 years interest only and amortized for 8 years thereafter.

Motion CARRIED

Authorize the President and Vice President to sign the Assumption Agreement of Scranton Iron, Inc to assume the HEDA loan issued to 11995 Hwy 63, LLC

City Attorney Andy Borland explained that the Board has not seen the documents until tonight because nobody knew about it until yesterday. City Clerk-Treasurer Mary Ann Kepler received an email from Mr. Bougalis on behalf of the LLC advising that his LLC is going to sell his LLC business to Scranton Iron Inc. HEDA has an outstanding mortgage that still is at its original balance of \$250,000. What Mr. Borland prepared was an Assumption Agreement so that his new entity will assume the outstanding loan and obligation that the old LLC had so that he can transfer the mortgage into the new entity's name but HEDA's mortgage will track along. We were advised by the email that he is closing next week at Northeast Title. Scranton Iron will be obligated to make the payments that the LLC was obligated previously.

Vice President Cannata, supported by Member Schweiberger, moved to authorize the President and Vice President to sign the Assumption Agreement of Scranton Iron, Inc. to assume the HEDA loan issued to 11995 Hwy 63, LLC.

Motion CARRIED

Authorize the City of Administrator to sign the Proposal for a Market Study to HVS in the amount not to exceed \$8,000

City Administrator Tom Dicklich explained that this was discussed at the Working Session of April 12, 2021. As developers and real estate agents across the area approach HEDA and they talk about the redevelopment of the Kahler site, they have been asking about a hotel market study. HEDA did one in the past when we attracted the Hampton. The City that has the land and has the study done, then the developers get to use this study in their financing. Any financing that a developer gets will need this study. We discussed having this study done and it not to exceed \$8,000. Once this is done, it will be good for years. It won't be the current developer looking at it, we can use this for other developers.

Member Hoffman Saccoman, supported by Jurenes, moved to authorize the City Administrator to sign the Proposal for a Market Study to HVS in the amount not to exceed \$8,000.

Motion CARRIED

Authorize the recommendation of John Tourville as Hibbing Economic Development's Special Projects Coordinator

City Administrator Tom Dicklich explained that this was discussed at the Working Session this week. We have been working on this on-and-off over the last few months. The Mayor reached out to John Tourville and we had discussions about where we left off previously for this position. The route for this is that HEDA recommends a name to the City Council. HEDA does not hire anyone. If the City Council agrees to the recommendation, we will go forward with a contract with Mr. Tourville to do the work with HEDA.

Vice President Cannata, supported by Member Hoffman Saccoman, moved to authorize the recommendation of John Tourville as Hibbing Economic Development's Special Projects Coordinator.

Motion CARRIED

Sr. Executive Assistant Candie Seppala explained that because HEDA approved the COVID loans, she updated the board as to how much money HEDA as loaned out to businesses within the Community. She stated that \$564,000 has been loaned out. It is important for the public to know that there is still money available. Please call her if you would like to discuss the process.

Motion CARRIED

ADJOURNMENT: There being no further business, the meeting was adjourned at 5:17 p.m. by Vice President Cannata, supported by Member Schweiberger.

Motion CARRIED

President Shari Majkich Brock

Sr. Executive Assistant Candie Seppala