THE MINUTES OF THE REGULAR MEETING OF THE HIBBING ECONOMIC DEVELOPMENT AUTHORITY Wednesday, March 17, 2021

TIME AND PLACE: A Regular Meeting of the Hibbing Economic Development Authority was held on Wednesday, March 17, 2021, at 5:00 p.m. 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, Member John Schweiberger, and Member Roger Kivela. 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 #1, #2, #3, & #4**

APPROVAL OF MINUTES:

Vice President Cannata, supported by Member Jurenes, moved to approve the minutes of the Reorganizational and Regular Meeting of the Hibbing Economic Development Authority of January 13, 2021.

Motion CARRIED

CONSENT AGENDA:

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

Motion CARRIED

1. Affirm Economic Development Loan Fund balance as of February 28, 2021 in the amount of **$ 453,778.73**

2. Approve disbursements for the month of March, 2021 in the amount of **$7,382.00**

Chisholm Hibbing Airport Authority (February, 2021 rent)	$ 300.00
Chisholm Hibbing Airport Authority (March, 2021 rent)	$ 300.00
Sellman Borland Simon Law Office/HEDA – November, 2020	$ 665.00
Sellman Borland Simon Law Office/HEDA January, 2021	$ 472.50
Sellman Borland Simon Law Office/HEDA February, 2021	$ 52.50
Lockridge Grindal Nauen P.L.L.P. – February, 2021	$ 1,650.00
Lockridge Grindal Nauen P.L.L.P. – March, 2021	$ 1,650.00
ODC – August, 2020 Downtown Clean-Up	$ 2,292.00

3. Authorize the Transitional Work Program Contract between HEDA and ODC beginning April 1, 2021 through March 21, 2022

4. Set the HEDA Working Session for Monday, April 12, 2021 at 5:00 pm, City Hall Council Chamber in person and via Zoom

5. Set the Regular Meeting of HEDA for Wednesday, April 14, 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

Sr. Executive Assistant Candie Seppala explained that four new businesses filled out the COVID – 19 Business Assistant HEDA Loan applications and were discussed at the March 15, 2021 HEDA Working Session. This is the third wave of applications since this program started. These loans consist of 50% of IRRRB Funds and 50% of HEDA Funds. No repayment of the loans will be due for six months followed by five years of principal only payments. Once these are approved and once the funds are disbursed, HEDA will have given out $459,000. She let the public know that the application for the COVID – 19 Business Assistance HEDA Loan is on the City of Hibbing's website, Facebook, and business owners can reach her at City Hall.

North Star Dental Care $40,000

Sr. Executive Assistant Candie Seppala explained that North Star Dental will be using the funds for more equipment in their business.

Vice President Cannata, supported by Member Hoffman Saccoman, moved to authorize the COVID – 19 Business Assistance HEDA Loan to Suite Location LLC 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

Eye Care North $40,000

Sr. Executive Assistant Candie Seppala explained that North Star Dental will be using the funds for more equipment in their business.

Member Schweiberger, supported by Member Jurenes, moved to authorize the COVID-19 Business Assistance HEDA Loan to Eye Care North 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

Arrowhead Motorcycle Apparel & Supplies $15,000

Sr. Executive Assistant Candie Seppala explained that Arrowhead Apparel is looking to bring in a new brand into their store, and they are asking for $15,000.

Vice President Cannata, supported by Member Hoffman Saccoman, moved to authorize the COVID-19 Business Assistance HEDA Loan to Arrowhead Motorcycle Apparel & Supplies in the amount of $15,000 with no repayment on the loan due for the first six months, followed by 60 months of principal payments.

Motion CARRIED

Tromco Electric $40,000

Sr. Executive Assistant Candie Seppala explained that Tromco Electric has a current HEDA loan with interest and after speaking with Mr. Murden, it made sense to use this loan with 0% interest to pay off his current loan. This will save him over $2,500. His loan will be in the amount of $40,000.

Member Jurenes, supported by Member Schweiberger, moved to authorize the COVID – 19 Business Assistance HEDA Loan to Tromco Electric in the amount of $40,000 with no repayment n the loan due for the first six months, followed by 60 months of principal payments.

Motion CARRIED

President Majkich Brock mentioned that it is great to see that HEDA is getting the money out into the community. We want everyone to know that there is help available.

Authorize the request of Rich Lees to renew Loan #250-11957 for the additional 5 years as spelled out in the original agreement

City Administrator Tom Dicklich explained that this was discussed at the Working Session. When this loan was billed, it was a 10-year loan, with a balloon at 5 years. Within the loan documents, Mr. Lees could request an additional 5 years. This is his written request to push the loan off the balloon date for an additional five years.

Member Hoffman Saccoman, supported by Vice President Cannata, moved to authorize the request of Rich Lees to renew Loan #250-11957 for the additional 5 years as spelled out in the original agreement.

Motion CARRIED

Authorize the loan of Rich and Sherri Lees, 1809 E 3rd Ave, in the amount of $40,000 with an interest rate of 5%

City Administrator Tom Dicklich explained that we discussed the next two loans for Rich and Sherri Lees, and Mr. Lees was in attendance to discuss them.

Rich Lees thanked the HEDA board. He stated that many of the loans that he has done over the last 15 years have been extremely instrumental in promoting many of the downtown buildings that they have refurbished. The HEDA loans have acted as the last piece to the financing puzzle. He appreciates the help.

The first property he would like a loan for is 1809 East 3rd Avenue. It is the former Hibbing Glass building. He is doing a major renovation there with a couple of apartments up above in addition to the storefront main floor that is undergoing a major transformation within the next 60 days. There will be a new storefront, a new mechanical heating system, new electrical upgrades, along with the remodel of the apartments. He is asking for a $40,000 loan for a $100,000 project.

Member Schweiberger, supported by Vice President Cannata, moved to authorize the loan of Rich and Sherri Lees, 1809 E 3rd Ave, in the amount of $40,000 with an interest rate of 5% (4 ½ % if ACH is used) for 5 years.

Motion CARRIED

Authorize the loan of Rich and Sherri Lees, 1818 East 3rd Avenue, in the amount of $40,000 with an interest rate of 5% (4 ½ % if ACH is used) for 5 years.

Rich Lees explained that this property is 1818 East 3rd Avenue. The building is at the point of major mechanical upgrades. The new tenants take up 2/3rd of the building and he is working on a second tenant. Upgrades include the renovation of the main floor, roofing modifications, new lighting, and a handicapped bathroom. He is looking for a $40,000 loan with a project total of $90,000.

Member Jurenes, supported by Member Hoffman Saccoman, moved to authorize the loan of Rich and Sherri Lees, 1818 East 3rd Avenue, in the amount of $40,000 with an interest rate of 5% (4 ½ % if ACH is used) for 5 years.

Motion CARRIED

Vice President Cannata wanted to let the business owners know that there is still money available for the COVID loans and to call Candie Seppala at City Hall.

ADJOURNMENT: There being no further business, the meeting was adjourned at 5:31 p.m. by Member Kivela, supported by Vice-President Cannata.

Motion CARRIED

Shari Majkich Brock

President Shari Majkich Brock

Candie Seppala

Sr. Executive Assistant Candie Seppala