

**THE MINUTES OF THE REGULAR MEETING OF THE
HIBBING ECONOMIC DEVELOPMENT AUTHORITY
Monday, May 1, 2023**

TIME AND PLACE: A Regular meeting of the Hibbing Economic Development Authority was held on Monday, May 1, 2023 in the City Hall Council Chamber.

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

ATTENDANCE: Present at roll call President Shari Majkich Brock, Member Pete Hyduke, Member Jennifer Hoffman Saccoman, Member John Schweiberger, Member Roger Kivela, and Member Steve Jurenes. Also present were City Attorney Andy Borland, City Administrator Greg Pruszinske, Finance Director/Treasurer Sheena Mulner, and Community Development Director Betsy Olivanti. City Clerk-Deputy Administrator Candie Seppala was absent.

ADDITIONS/DELETATIONS:

- **DELETE: MINUTES**
- **ADD: BOARD REPORT #4**
- **DELETE: BOARD REPORT #2d, e, f**

APPROVAL OF THE AGENDA:

Member Schweiberger, supported by Member Hyduke, moved to approve the agenda of the Hibbing Economic Development Authority.

Motion CARRIED

APPROVAL OF MINUTES:

- ~~Approve the Minutes of the Regular Meeting of Hibbing Economic Development Authority for April 17 2023~~
- ~~Approve the Minutes of the Working Session of Hibbing Economic Development Authority for April 17, 2023~~

CONSENT AGENDA:

Member Kivela, supported by Member Jurenes, moved to approve the Consent Agenda #s 1-4.

Motion CARRIED

1. Affirm Economic Development Loan Fund as of April 30, 2023 in the amount of **\$1,040,869.45**
2. Approve disbursements for the month of May, 2023 in the amount of **\$ 8,112.50**
 - Chisholm Hibbing Airport Authority May, 2023 rent) **\$ 300.00**

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| <ul style="list-style-type: none"> • Sellman Law Office invoice for HEDA –April, 2023 • Sellman Law Office invoice for HEDA Costs – April, 2023 • Lockridge Grindal Nauen P.L.L.P. – May, 2023 • Cole Appraisal & Consulting LLC | <ul style="list-style-type: none"> \$ 1,162.50 \$ 0 \$ 1,650.00 \$ 5,000.00 |
|--|---|
3. Set the next Regular Meeting of HEDA for Monday, June 5, 2023 at 5:00 p.m. in the Hibbing City Hall Council Chamber
 4. Set the next HEDA Working Session for Monday, June 5, 2023 following the Regular Meeting in the Hibbing City Hall Council Chamber

BOARD REPORTS:

Approve the HEDA Bylaws

Community Development Director Betsy Olivanti brought back the bylaws that were brought up at the April 17th meeting. The HEDA Board asked Betsy to bring a policy to the City Council to correct the citizen commission members. There was consensus that commission members be residents of the City of Hibbing. That will be on the meeting of May 3, 2023 at the Hibbing City Council meeting

Member Schweiberger, supported by Member Hoffman Saccoman, moved approve the HEDA Bylaws.

Motion CARRIED

HEDA Loans

Community Development Director Betsy Olivanti stated that the Libation Station continues to have conversation with us.

The Smart Thrivent Suite Location Loan is continuing to have conversations with Building Official Pat Green regarding the potential demolition site and also letting me know that he is planning to get his loan current.

Member Hoffman Saccoman asked if they are eligible for demo funding from IRRRB. Betsy responded that she hasn't heard if there is some kind of site control that subsequent development will go there.

Items d, e, and f have been deleted from the agenda because they didn't provide sufficient information for this meeting.

- a. Libation Station loan default update
- b. Smart Thrivent Suite Loc. Loan default update
- c. AMGS call for Public Hearing for new loan at June Meeting

- d. ~~Mike Egan the LUX~~
- e. ~~Jacob Hanson Loan request~~
- f. ~~Brandon Freeman Loan Request~~

Community Development Director Betsy Olivanti stated she would be turning it over to Attorney Borland to discuss the public hearing for AMGS. He stated that AMGS was before us at the last working session to discuss the loan situation. By the size of the loan, HEDA has to call for a public hearing that will be addressed at the June 5th meeting.

Member Jurenes, supported by Member Hyduke, moved to call for a Public Hearing for AMGS at the June 5, 2023 HEDA Meeting.

Motion CARRIED

Request for forgiveness of the CDBG portion of the Androy Loan

Community Development Director Betsy Olivanti stated that this is the request for forgiveness of the CDBG Portion of the Androy Loan. This Resolution is to forgive the community development block grant portion of the loan between the Hibbing Economic Development Authority and the Androy Limited Partnership, since assumed by Trellis Co. originated in the loan agreement dated December 27, 1993 on the following conditions:

- 1) That the Minnesota Financing Agency or MHFA funding is secured (which they are applying for in July of 2023).
- 2) The approximately \$11 million investment is completed.

This is included in our 2018 Comprehensive Plan.

When the loan between HEDA and the Androy Limited Partnership was originated in 1993, it was funded in the amount of \$461,924. This loan is created from two different sources. First was a community development block grant from St. Louis County in the amount of \$385,000. Second, a \$77, 924 of Hibbing Taxpayer dollars from City of Hibbing residents.

Member Kivela will abstain from discussion as he may have a potential conflict of interest he has with this loan.

Melinda Stuter and Justin Eilers were in attendance to discuss the project. They referred to questions that they have been asked. They also answered questions that Members had.

Member Hoffman Saccoman asked Attorney Borland for his professional legal opinion

Mr. Borland stated this is written as a loan document and he replied to meet these rate housing oftentimes these are considered forgivable loans. That it isn't a terrible decision Although it is not written that way, he would not recommend giving up the HEDA money at all. The City doesn't give out grants. It isn't a bad move, but you do want to maintain those

units for the benefit of those who live there now, and future residents. The architects are going to come in to make sure they fulfill their obligations.

Member Hyduke made a motion without a second on this motion with \$385,000 plus \$116,000 – motion denied for lack of a second.

Member Schweiberger, supported by Member Hoffman Saccoman, moved to forgive a \$400,000 flat with the conditions specified (application to the MFA and the improvements are done to the satisfaction of the group)

Motion CARRIED (Member Kivela abstained)

Benchmark Quote for professional services

Community Economic Development Director Betsy Olivanti stated that this was the item that was added to the agenda. The parcel is owned by the EDA and T & B Automotive would like to purchase a portion of this property. We had an appraisal done where it would be \$9,000 per acre. We rezoned that whole section from I2 to I1. She asked Attorney Borland to put a development agreement together so we can include the costs of the appraisal. She recommends that we approve this survey contingent upon a signed development agreement.

Member Jurenes, supported by Member Kivela, moved to approve the survey for the section of the property that was brought forward.

MOTION Carried

ADJOURNMENT: There being no further business, the meeting was adjourned at 5:53 p.m. by Member Kivela and supported by Member Schweiberger.

Motion CARRIED



President Shari Majkich Brock



City Clerk/Deputy Administrator Candie Seppala