

**HASTINGS ECONOMIC DEVELOPMENT & REDEVELOPMENT
AUTHORITY**

September 14, 2023 - 6:00 pm.

HASTINGS CITY COUNCIL CHAMBERS

I. Quorum

II. Minutes

Please see the attached HEDRA Meeting minutes from the August 10th Regular Meeting for your review and approval.

III. Bills

August Bills

Stantec Consulting	\$5,584.00	Confluence – Environmental – Project Closeout
Beth Warner	\$5,000.00	Façade Improvement Grant – 117 2 nd St E
Levander Miller and Gillen	\$431.15	3000 Lightbourn Sale – Legal (Reimbursable)
Levander Miller and Gillen	\$382.50	Spiral and Glendale Sale – Legal (Reimbursable)
Kahler Hotel	\$360.38	Admin – Conference – Lodging - Menke
Facebook	\$300.00	Makers Market – Advertising
Precision Landscaping	\$240.00	Block 28 – Maintenance - Lawn
Graphic Design	\$82.00	Admin – Business Cards – Menke
MN Pollution Control Agency	\$75.00	Confluence – Environmental Review
Credit Card	\$22.49	Makers Market – Printing
Menards	\$8.00	Makers Market – Sign Posts

Please see attached general ledger detail for further information.

IV. Business

A. Resolution 2023-12: Authorize 2024 Economic Development Levy

As part of the 2024 budget, City Staff has prepared the proposed 2024 HEDRA HRA Levy. Staff is recommending the full HRA tax levy which would generate approximately \$508,989 in revenue for HEDRA. Those dollars would be utilized to complete projects and goals identified within the current HEDRA Strategic Plan. Below is a summary of HEDRA Budget Priorities that have been reviewed by both the City Administrator and Finance Committee of City Council:

HEDRA		
Item	Amount	Background
Redevelopment Capital – Redevelopment assistance. May include acquisition of land, consultant analysis, preliminary design, and environmental work	TBD	Funds targeted towards Vermillion Street and Downtown. Fund balance likely not adequate as in previous years. Supplement through Industrial Park Land Sales, loan to be paid back at sale, and other sources.
Façade Improvement Program Grants - Exterior Improvements of buildings within Downtown and Vermillion Street. Grants of \$1,000-\$5,000. Funds matched 2:1 with private equity. Funds not repaid	\$50,000	Continuation of existing program
Revolving Loan Funds - Gap financing between private financing and owner’s equity. Used for both commercial and residential. Funds to be repaid with interest	\$120,000	Similar amount as past years. Staff will review targeting specific funds to Vermillion Street as either a loan or grant.
Downtown Environmental Cleanup – Environmental remediation of downtown redevelopment sites including the 1.5 acres north of Artspace and the block behind Graphic Design.	\$100,000	Within current CIP\CEP Plan. Represents the match required for site environmental remediation.
Business Incubator – Consultant work to investigate market and costs for operation of a business incubator to assist with new business start ups	\$5,000	Funds would be pooled with existing \$15,000 grant from the Doffing Fund.
Western Highway 55 Annexation – Develop a master plan for new annexation areas along TH 55 to Jacob Avenue. Exploration of commercial, and residential uses to increase tax capacity, and how to pay for future infrastructure improvements.	\$50,000	Area identified for development in Comprehensive Plan. Market conditions are ripe for development. Need to maximize economic impact.
Community Development Intern - Assist with data collection and research on economic development priorities.	\$7,500	Full time summer internship. Partially grant funded in the past. Duties split between Economic Development and Planning (\$15,000 total)
Marketing – Advertisement of Hastings development sites and attributes. May include participation in real estate broker events and other opportunities to connect with developers	\$10,000	Continued program.

ACTION – Motion to adopt Resolution 2023-12 Approving Proposed 2024 HRA Tax Levy. *Please see attached Resolution for further information.*

B. Resolution 2023-13: Façade Improvement Program Grant for 214 & 216 2nd St E

HEDRA has received an application from Thomas and Vicki Jung which own the properties at 214 & 216 2nd Street E.

The full scope includes the following:

- Site preparation
- Signage removal
- Brick repair and replacement
- Brick painting

The scope of services is proposed to be completed by Cadson LLC,

The project has eligible costs totaling \$2,667.45; Under the program, the grant award is based on matching funds of \$2 of private investment for every \$1 of grant funding.

Action: Motion to approve Resolution No. 2023-13 approving a façade improvement program grant award to Thomas and Vicki Jung for brick repair/replacement and

building painting at 214 & 216 2nd Street E in the amount of \$889.15.

V. Reports and Information

A. Development Updates

New Information:

The Confluence – All City approvals have been granted for operation of the Confluence Hotel and Missi’s Sip N Savor. We are awaiting opening any day now!

Augustine Property Development – Work has begun on the municipal utility study for potential annexation and development of property at the western limits of the City, north of 15th Street past Jacob Avenue. Upon results of the study the property owners would likely seek annexation and development.

Walden at Hastings - Annexation - Redwing Blvd – Traffic Study for the development has been completed and the EAW worksheet is expected soon. Development plans are expected for City review by the end of 2023 for the residential development containing approximately 450 housing units near TH 316 and Michael Avenue. Housing would include single family, twin home, townhome, apartment and senior housing. Many, if not all of the units would be rented.

South Oaks 4th Addition – 35 lot single family home subdivision near 31st Street and Century Drive. Planning Commission will review plans on September 11th with City Council review scheduled for September 18th.

Current 33 Apartments – Work on the 2nd building will be commencing shortly. The first building is nearly complete. Total of 211 apartments at 33rd and Vermillion.

Therapy OPS – Building is nearly complete and a September opening is planned for the 2,300sf therapy building located at the northwest corner of Westview Drive and South Frontage Rd (adjacent to Auto Zone).

Vermillion Acres – Developer plans on installing modular units in October with a spring opening planned for the 75-unit senior housing facility near County Rd 47 and Riverwood Drive.

315 Pine Street - Thorwood –Special Use Permit for use of the first floor area for a 25-30 person meeting space approved by City Council. Work is commencing

KFC – Construction is progressing on the new KFC on the northwest corner of 18th and Vermillion (former Erickson Freedom Gas Site). Interior build out is underway

Previous Information:

Shepard of the Valley - Townhomes – Staff has reviewed concept plans for approximately 15 townhome units east of Shepard of the Valley Church located near 4th

Street and Whispering Lane. City Council approved a minor subdivision to split the church land from the development site at the July 17th Meeting.

Tyler Street Landing Apartments (Luke Siewert) – 32-unit apartment building at 3rd and Tyler Streets. HEDRA approved 3rd Amendment to Purchase Agreement on July 13th extending approvals to August 1, 2024. City Council took similar actions on the Site Plan and Plat approvals, also extending to August 1, 2024. Dakota County has extended the \$250,000 Redevelopment Incentive Grant for the site to December 31, 2023.

Heritage Ridge – Grading activities have commenced for the final addition of the 116-lot single family residential development near General Sieben Drive and Northridge Drive. City Council approved a one year extension on the final phase of the project at the July 17th meeting.

418 Vermillion Street – Dicks Barber – HEDRA purchased the property on May 30th. A two-year lease has been executed to allow operation of the existing tenants. A blight study is being conducted to determine TIF eligibility and we are reviewing a contract for potential payments to tenants.

Regina Assisted Living Addition – Regina plans to reconfigure a parking lot due to interior renovations at their 1008 1st Street W building. City Council approved on June 26th.

Dakota County Law Enforcement Addition – Plans for a 13,000 s.f. Integrative Health Unit have been submitted. City Council approved on June 26th.

Hastings Theater – 1313-1325 South Frontage Rd – Hastings Theatre has closed, and the property has been sold to Meridian Real Estate Holdings LLC. Staff is unsure of development plans.

Green Mill – 909 Vermillion Street – Camegaran LLC's franchise agreement with Green Mill will discontinue and the restaurant will be closing at the end of June. The owner will be seeking another restaurant for the space.

Lake Isabelle Flats (NJS Stencil Apartment) – Exterior framing is complete, and work is commencing on interior units for the 89-unit apartment building at 3rd and Bailey. A Fall 2023 opening is planned.

United Heroes League - Outdoor Refrigerated Rink – Plans have been submitted for the rink. City Council approved an Interim Use Permit to construct an outdoor refrigerated rink along with temporary parking at their 15211 Ravenna Trail campus.

114 West 5th Street – As of April 27th, HEDRA is now the proud owner of the single-family house across from the fire station.

Scooter Rental – Spin Scooters were deployed on April 17th. Staff will monitor the scooter activity for any future council action in July.

Suite Living - Senior Housing – Construction is now anticipated during the fall of 2023 for the 32-unit senior housing facility at the southeast corner of 33rd Street and Vermillion. The one-story project consists of both dependent and memory care units.

Villas at Pleasant – More permits have been submitted for construction and work continues on the first model home at the 32-unit subdivision near Northridge and Pleasant.

ATTACHMENTS

- Minutes – August 10, 2023, Regular Meeting
- Bills – August 2023
- Resolution No. 2023-12 – Authorize 2024 Levy
- Resolution No. 2023-13 – Façade Improvement Program Grant – 214/216 2nd St E

Next Meeting: Thursday, October 12, 2023