

**HEDRA  
HASTINGS ECONOMIC DEVELOPMENT and  
REDEVELOPMENT AUTHORITY**

The Hastings Economic Development and Redevelopment Authority of the City of Hastings, Minnesota met in a regular meeting on Thursday, August 10, 2023, at 6:00p.m. at Hastings City Hall.

**HEDRA Commissioners Present:** Johnson, Horsch, Fox, Carter & Pemble

**HEDRA Commissioners Absent:** Anderson, Goblirsch

**Staff Present:** Community Development Director, John Hinzman & Economic Development Coordinator, Alex Menke

**Quorum**

A quorum was established, and the meeting was called to order by Chair Horsch at 6:00 PM with five of seven members present.

**I. Minutes**

Motion to approve July 13th minutes by Commissioner Johnson and a second by Commissioner Fox. None opposed and approved as presented. Chair Horsch thanks Madelyn for her work on the HEDRA minutes

**II. Bills**

- A. Pass through for land sale
- B. Legal Bills
- C. Ongoing Block 28 Maintenance

Motion to approve bills by Commissioner Pemble and a second by Commissioner Carter. None opposed and approved as presented.

**III. Business**

- A. Authorized Signature Agreement for Professional Services Evoke Partners – Presented by EDC Menke
  - a. Agreement for brokerage services with Evoke Partners for the 55-acre shovel ready site in the industrial park. Ra'eesa Motala is starting her own brokerage, and staff prefers to stay with Motala, based on her previous work with the City on selling this land. Evoke Partners is her new company, which will provide similar services as Rokos needed to market and sell this land. Evoke Partners would

only be compensated if the land is successfully sold, whereas that commission would be 3%--which is the same as the previous contract with Rokos

- i. Commissioner Fox asks if we need a motion to approve and thanks Menke for all the information provided. Commissioner Fox motions and Commissioner Carter seconds. All in favor and motion is approved

B. Authorized Signature Proposal for Relocation Services, SRF Consulting Inc. – Presented by EDC Menke

- a. To uphold the commitment to redevelop Block 28, the City has engaged with SRF Consulting Group to generate an agreement for relocation services of the occupants residing at 418 Vermillion Street. This includes Dick's Barbershop and the billboard sign owned by Lamar, as well as two residential units. The estimated cost is \$10,500, but is subject to change given the scope is altered. SRF will manage distribution of informational booklets, data on relocation assistance, assistance with moving expense claims, direct loss claims and fixed payment claims
  - i. Commissioner Johnson asks if this is something that would be paid if a relocation was needed or if this happens regardless. Hinzman responds that with this contract, we are paying them to provide these services. A bulk of the \$10,500 would be used to do analyses for relocation benefits, so most of this would be paid up front
  - ii. Commissioner Pemble asks if the City has used SRF before. Hinzman says that the City has used this service before for things related to TIF districts but not related to relocation services. Hinzman says it has been about 20 years since we have had to relocate occupants from a property the City owns. Commissioner Pemble mentions his support
  - iii. Chair Horsch asks for a "Reader's Digest" on relocation services and costs. Hinzman mentions there are obligations the City has as a public entity if we buy property and force vacation, so Hinzman suggests that it this would be somewhere in the \$20,000 range, Chair Horsch recollects that lease terms were built into the contract, so the longer someone has maintained a business, the less the cost will play in relocation fees. Hinzman agrees and certifies that is correct
  - iv. Commissioner Carter motions and Commissioner Fox seconds. All in favor and motion passes

#### **IV. Reports and Information**

A. Open to Business Second Quarter Report – Presented by EDC Menke

- a. The city and the county use the service, Open To Business through MCCD (Metropolitan Consortium of Community Developers), which provides residents and perspective businesses to use services through this program. Each quarter they provide a report and the Q2 report indicated that 13 Hastings Businesses and 8 Hastings residents have reached out and received small business

guidance. 2 Hastings businesses have been reported to have received financing from MCCD

- b. Commissioner Fox highlights how wonderful this program is, and as a small business owner herself, she has used these services. Commissioner Fox shares that program has aided businesses in opening, financing and other things small businesses need to get started or keep going. Commissioner Fox suggests that anyone thinking about opening a business should start with this program
  - c. Hinzman states that he echoes these sentiments and the City has been very fortunate with our representative, Natalie Mouilso, who does a phenomenal job in what she does. Hinzman suggests inviting her to a future HEDRA meeting to share more about what she does. Mouilso will be at the August 31<sup>st</sup> Makers Market to share resources with the small business vendors there
  - d. Chair Horsch shares the importance of this resource and how we need to get the word out to the community that it is free and businesses should take advantage of it
- B. Non-Confluence Related Updates – Presented by CDD Hinzman
- a. Last Council meeting, a utility study for the Augustine properties was approved, located west of the current City limits, north of 15<sup>th</sup> Street and Highway 55 as well as west of Jacob Ave in Nininger Township. It is within the Comprehensive Plan, but developers have not shown an interest for a trunk line, so this was done to survey the capacity of existing lines to the east
  - b. 315 Pine Street – a currently fire damaged mansion proposed to be redeveloped by way of a Special Use Permit allowing for a small event space on the first floor. A building permit has been issued and they will continue demolition of the project. The owner, Pavel Zakharov, plans to have this done and it will be covered by winter and looking better soon
  - c. Kentucky Fried Chicken (KFC) under construction on Vermillion Street, going well—more to come
  - d. Revised Concept Plan for the minor subdivision, now split from Shepard of the Valley Church, as a proposal for about 15 townhomes on the eastern side of the subdivision. This looks like it will go to Planning Commission in the future
- C. The Confluence Hotel Updates – Presented by CDD Hinzman
- a. This project has had people wondering how long it will take to come to fruition, and we are just about there. 31 City Council and HEDRA Commissioners have held their positions since the start of the project in 2009. This project has taken the fortitude of the Commission here and City Council for sticking with it in the face of changes and unexpected events. Hinzman shares that he will present to the Commissioners a condensed version of what he shared at the State Economic Development Conference last month regarding the redevelopment of Hudson Manufacturing into the Confluence as we will see it soon.
  - b. The Confluence Hotel will boast: 77 hotel rooms, 18 apartments, restaurant with 130 indoor seats and 120 outdoor seats, a ballroom to serve 350 guests, a new

location for the Hastings Chamber of Commerce, a 1,000 s.f. office, an Outfitter Space along the River and an Outdoor Plaza.

- c. Site History – Lumber production began in 1870s by Libby Sawmill, which was Hastings' largest employer and this site was the 3<sup>rd</sup> largest producer in the state at the time until 1909. Hudson Manufacturing bought the site and occupied it for over 100 years. The City planned to move all industry to the industrial park and away from the river, so they were the last to leave downtown
- d. Heart of Hastings (2003) envisioned development of the Confluence
- e. Part of the Hudson building was removed by MN DOT in 2009 due to the 61 new bridge. Hudson moved to vacant building in east of town. This was one of the first big projects for HEDRA upon its instatement in 2010. The public wanted to keep the building for the historic renovation
- f. Phase II Environmental Analysis revealed a plethora of chemicals, from lead and mercury to DROs and VOCs
  - i. Received assistance from MN Department of Employment & Economic Development, MET Council, US EPA and Dakota County Redevelopment Incentive Grants, ~2.5 million dollars total cost, mostly funded by grants
  - ii. Most remediation occurred before the close of the property, but some continued
- g. Began a site assessment with Maxfield, which recommended mixed use redevelopment, invited developers and chose the Confluence from 3 other interested developers
- h. Entered into an original contract with the Confluence in 2014, closed in 2018, sold for \$1, whereas this would pay the City back over time after purchase and remediation after Hudson
- i. Indoor dirt and wood contaminated from fire in 1909, had to remove these debris
- j. Vapor Intrusion Mitigation System ongoing
- k. Wood Sealing and Encapsulation costed more than anticipated
- l. City spent \$5 million on downtown at this time for the Riverfront Renaissance and make downtown a destination for living, art and entertainment, knowing that Confluence would contribute eventually
- m. Riverfront park on the northwest section of Confluence property to be maintained by the Confluence, but the City has access to it 99% of the time
- n. Parking garage 1.5 million dollar grant for 120 stall ramp, owned by Confluence, but open to the public
- o. Historic Tax credits went into the development and was instrumental in the development, followed guidelines for the State Historic Preservation office
- p. IDM Hospitality came aboard in 2019 to provide dining and hotel services, as well as employees
- q. No one wanted to invest in hospitality during 2020 in the midst of the pandemic, the Confluence stayed on when they could have walked away and paid out of pocket while waiting for tax credits and investments to return
- r. Hinzman shows older pictures showing where the chamber, apartments, ballroom and more will be
- s. Hinzman shares that the City has spent approximately \$5.5 million by the acquisition of the building and remediation/maintenance/demolition
  - i. 20 separate grants covered over \$5 million of that

- ii. Dakota County CDA - \$1.25 million
- iii. Met Council - \$2.7 million
- iv. MN Deed - \$256,000
- v. US EPA - \$600,000
- t. Hinzman thanks all of the individuals of Hastings City Council and HEDRA for their dedication and work for this project to be where it is today
- u. Commissioner Carter thanks Hinzman for his detailed presentation and sharing the process of things like environmental remediation and redevelopment
- v. Commissioner Fox highlights the work of the sole person who has stuck with this project since the beginning and done a great job by guiding it to where it is today—Community Development Director, John Hinzman. Fox thanks Hinzman for his vision and leadership, stating the City could not have done it without Hinzman
- w. Chair Horsch agrees with Commissioner Fox, and shares how she previously thought it would be best that it be torn down, but there have been such great efforts to reconnect with the historical significance, such as the lettering going around the side as it was with the previous Hudson Manufacturing. Chair Horsch asks what part of the park is accessible to the public and Hinzman shares that the overlook deck is included in that. Chair Horsch mentions she has heard something about an event at the end of August and asks Hinzman for clarification. Hinzman shares that he does not know anything about that officially but there are most likely events starting soon because the building is just about done
- x. Commissioner Johnson shares how it looks much better as a resident a few blocks away and thanks Hinzman

No further questions or discussion.

## **V. Adjourn**

Commissioner Johnson made a motion to adjourn the meeting at 6:34 p.m., seconded by Commissioner Carter. Motion passed 5-0. Meeting adjourned.

*Next Meeting: Thursday, September 14, 2023*

Respectively Submitted:  
Community Development Intern, Madelyn Swanson