

**HASTINGS ECONOMIC DEVELOPMENT & REDEVELOPMENT
AUTHORITY**

**January 12, 2012, 6:00 pm.
City Hall Council Chambers**

I. Quorum

A. Oath of Office - Keena

II. Minutes – December 8, 2011 meeting

III. Bills

IV. Business

- A. Election and Appointment of Officers
- B. Resolution – Dakota CDA Redevelopment Grant – Hudson
- C. Authorize Signature – Mortgage Satisfaction – Biermann
- D. Schedule Special HEDRA Workshop – February 16, 2012
- E. Review Special HEDRA Workshop Agenda

V. Reports and Information

- A. Hudson Redevelopment – National Historic Register Nomination
- B. Hudson Redevelopment – Environmental Update
- C. Fire Alarm Installation Update
- D. Marketing Plan Update

VI. Adjourn

Next Meeting: Special Workshop Meeting – February 16, 2012

HEADRA AGENDA NOTES FOR JANUARY 12, 2012

OATH OF OFFICE

On December 19, 2011 the City Council unanimously approved the reappointment of HEDRA Commissioner Kurt Keena until December 31, 2017. The Oath of Office will be administered at the meeting.

Please see attached Oath of Office Form for further information.

MINUTES

Please see attached HEDRA Meeting minutes from the December 8, 2011 regular meeting for your review and approval.

BILLS

December Bills

Alarm Express	*\$24,728.09	Fire Alarm Installation - 6 buildings
Himle Rapp	\$3,023.13	Marketing Services - November
Centerpoint Energy	\$1,938.40	Heat - Hudson
Hastings Star Gazette	\$610.00	Industrial Park Ad – Community Guide
HEDRA Commissioners	\$62.00	2011 Meeting Compensation

**Reimbursable Expense*

Please see attached general ledger detail for further information.

BUSINESS

A. Election and Appointment of Officers

The following annual elections and appointments are due:

- Appoint President, Vice-President, and Treasurer, to be elected from citizen commissioners.
- Reappoint Shannon Rausch as Secretary
- Reappoint Charlene Stark, Finance Director as Assistant Treasurer
- Designate Dan Fluegel, City Attorney; and Robert Deike as Legal Counsel.

B. Dakota County CDA Redevelopment Incentive Grant

Staff is preparing to submit the following applications for the Dakota County Community Development Agency's Redevelopment Incentive Grant:

- 1) Redevelopment Grant - \$110,000. Funding to be used for demolition of the 1974 portion of the Hudson building. If the grant is successful, HEDRA would have the entire estimated demolition cost of \$250,000 in grant funding.
- 2) Planning Grant - \$15,000. Funding to be used for future market study of Hudson redevelopment concepts.

ACTION: Adopt HEDRA Resolution No. 2012-01 authorizing submittal of the applications

Please see the attached Resolution for further information.

C. Mortgage Satisfaction – Biermann

Marcia Biermann, owner of 1413 Maple Street seeks execution of a mortgage satisfaction statement. She has agreed to pay \$1,500 of the remaining balance of her HEDRA Residential Rehabilitation Loan. The outstanding balance of the loan as of January 2, 2012 is \$6,034. At the August 11, 2011 meeting, HEDRA discussed forgiveness of the loan if \$250 per month was paid during the foreclosure redemption period. Ms. Biermann has agreed to make the \$1,500 payment. The foreclosure notice was delivered on December 27, 2011.

On August 9, 2011 Ms. Biermann submitted a letter requesting forgiveness of a Residential Rehabilitation Loan. The letter reiterates the nature and reasons for the original loan. Ms. Biermann experienced an unexpected replacement of a private sewer service to her home at 1413 Maple Street. The cost of repair was assessed against her property. The \$9,100 repair was greater than the typical cost of \$3,000 - \$5,000 and was not eligible for assessment abatement.

In 2009 Ms. Biermann shared that she is experiencing financial difficulties and was filing for bankruptcy in order to modify the principal loan on her home. The loan modification was approved in May 2010, but was not financial feasible for her. In July, 2011 she received a mortgage foreclosure letter. She anticipates foreclosure notice to be delivered anytime after August 15th.

HEDRA authorized the loan on September 10, 2009. The secondary mortgage, agreement and promissory note were executed on November 2, 2009. The original loan amount was \$7,589.41. \$4,000 of the original loan was to be repaid upon sale of the property. The remaining \$3,589.41 was a five year forgivable loan, decreasing 20% annually. \$1,555.41 of the original loan has been forgiven as of January 2, 2012. The remaining \$6,034 consists of the \$4,000 to be repaid on sale, and \$2,034 of the outstanding forgivable loan.

ACTION: Authorize signature of the Mortgage Satisfaction Agreement.

Please see the attached Mortgage Satisfaction Agreement for further information.

D. HEDRA Workshop – February 16, 2012

At the December HEDRA meeting Commissioners discussed holding a special HEDRA workshop in early 2012. Staff has tentatively scheduled the meeting for Thursday, February 16th at 6:00pm in the Volunteer Room at City Hall. Jessica Cook from Ehlers, our financial\TIF consultant would be available to attend the meeting. Due to the proximity with the regular HEDRA meeting on February 9th, HEDRA may consider cancelling the February 9th meeting. Any items needing immediate attention in February could be done during a quick regular meeting on the 16th prior to the workshop.

ACTION: Schedule a Special HEDRA Workshop Meeting for February 16, 2012, and consider rescheduling the regular February 9th meeting to the 16th, for items of immediate attention.

E. HEDRA Workshop Agenda

Please see the attached draft agenda for the HEDRA Workshop. Hudson Redevelopment and Marketing Plan next steps are on the agenda.

ACTION: Review and comment at the meeting

REPORTS

A. Hudson Redevelopment – National Historic Register Nomination

At their December 20th meeting, the Heritage Preservation Commission (HPC) voted 5-0 (2 abstentions) to recommend nomination of the Hudson property to the National Register of Historic Places. John Hinzman attended the meeting on behalf of HEDRA and asked that the HPC consider delaying any recommendations until further economic and market data is available for the site.

The HPC will likely review the final nomination form at their January 17th meeting, and may submit the request to the City Council as early as February 6th

B. Hudson Redevelopment – Environmental Update

Dakota County will be conducting a survey of all wells, boring points, and test pits on January 9th. A more accurate survey of bedrock depth and soil thickness is also being conducted; initial borings have shown the depth to vary between 2 and 24 feet. The additional data is necessary to better target the extent of

contamination on the site.

All environmental costs continue to be paid for via the Dakota County EPA Grant.

C. Fire Alarm Installation Update

During the month of December the following hard wire alarms systems were completed:

113 East 2 nd Street	\$5,334.47
208 East 2 nd Street	\$3,380.91
214\216 East 2 nd Street	\$4,259.02
218 East 2 nd Street	\$3,846.66
405 Vermillion Street	\$3,698.53
411 Vermillion Street	\$4,208.50

Only ten systems remain to be installed. Works should be completed in the next few months.

D. Marketing Plan Update

Now that the plan has been completed and approved and the final bill has been submitted here is a recap of what HEDRA budget for and where it came in at.

HEDRA had a two-part budget; one part was for the base research and plan itself. That was to not exceed \$18,000 (8,000 in 2010 and 10,000 in 2011.)

The second part of the budget was for the marketing audit in-depth analysis that Himle Horner did. That was to not exceed \$13,000.

HEDRA's total budget for both parts was not to exceed \$31,000 and our final bill totaled right at \$30,250 which put us under budget by not quite \$1,000.

ATTACHMENTS

- Oath of Office Form - Keena
- HEDRA Minutes – December 8, 2011
- General Ledger Detail – December, 2011
- Resolution – Dakota CDA Grant Submittal
- Mortgage Satisfaction Agreement - Biermann
- Draft Special Workshop Agenda

Hastings EDRA
Hastings Economic Development and
Redevelopment Authority
6:00 pm Hastings City Hall

Minutes of December 8, 2011

HEDRA Commissioners Present: Ron Toppin, Michael Kelley, Kurt Keena, and Danna Elling Schultz

HEDRA Commissioners Absent: Dennis Peine, Pam Holzem and Tony Alongi

Staff present: Community Development Director John Hinzman and Community Relation Specialist Shannon Rausch.

Others present: Chuck Tombarge, Himle Horner

QUORUM:

A quorum was established and the meeting was called to order, by Chair Toppin at 6pm with four members present.

I. MINUTES

Commissioner Kelley motioned to approve the minutes from the November 9, 2011 meetings, Commissioner Elling Schultz seconded the motion.

Motion approved 4-0

III. BILLS

Commissioner Keena moved to pay the bills. Commissioner Kelley seconded the motion.

Motion Passed 4-0

IV. BUSINESS

A. Presentation of Marketing Plan by Himle Horner

Communication Specialist, Shannon Rausch, introduced Mr. Chuck Tombarge from Himle Horner who gave a 25 minute presentation on the final draft of the HEDRA Marketing Plan.

Following the presentation the Commission was asked to approve the plan as presented.

Commissioner Elling Schultz motioned to approve the plan as presented.

Commissioner Keenan seconded the motion.

Motion passed 4-0.

B. Authorize Signature - Met Council Grant Agreement Amendment - Block 16

Metropolitan Council has agreed to extend the grant agreement to fund construction of the Block 16 Red Rock Commuter Parking lot until December 31, 2012.

The Commission is asked to Authorize Signature of the 1st Amendment to the Grant Agreement.

Commissioner Keena motioned to approve Authorization of Signature of Agreement. Commissioner Kelley seconded the motion.

Motion passed 4-0.

V. REPORTS & INFORMATION

A. Hudson redevelopment - Reuse Plan Discussion

The Commission discussed the recent findings of the Hudson Reuse Study conducted by Stark Preservation. The Commission agrees that before anything can be done with the Hudson site the market needs to be tested for variables and feasibility.

Also the Commission suggested that the *Heart of Hastings* plan be reexamined and determine what the Community "wants" to do and what the "vision" is for the site.

The Commission also understands, and wants the public to understand, that most importantly everyone needs to be patient with this project. This is a huge site and a great opportunity for the community. HEDRA doesn't want to just rush into things unprepared.

HEDRA agreed that the first step most likely will be for the Commission to consider demolishing the 1974 portion of the facility sooner rather than later based on the understanding that this portion of the building holds no historic value or other value to the site. A benefit of demolishing the 1974 addition now would be that the site could then be prepared to "show off" during any event surrounding the construction of the new bridge.

The Commissioners also agreed that holding onto the 1946 addition for now and not making any decision on keeping or demolishing it until a developer is on board would be in the projects best interest. This way the developer is the one that is making the decisions based on actual market tests and feasibility studies.

The Commissioners agreed that HEDRA and the City brought the property into public ownership so that more funding opportunities would be available.

HEDRA Chair Toppin suggested the Commission schedule a workshop in mid-February to discuss Hudson concepts as well as next steps with the marketing plan.

B. Hudson - Environmental Update

Everything is on track to be ready for spring environmental grant deadlines.

HPC has long recognized the Hudson Building's significance to Hastings and they are considering nominating the facility for the national historic registry. HEDRA would like to encourage the HPC to be patient.

C. Mixed Use Hard Wire Alarm Update

The installation of the Hard Wire Alarm Systems in mixed use building continues moving along well and are about a third done with their installation.

D. Downtown Hastings -Block 1;

Senior Housing Developer has shown interest in the site and has inquired as to what price range HEDRA would be looking for on the property. Staff has estimated the value of the site to be about \$8/sq ft, but has not yet sought an official appraisal to be done yet.

Staff reminded the Commission that there has been no marketing of the site in the past few years and questioned if HEDRA is interested in developing an RFP for this company and others to respond to?

Commissioners discussed and agreed that rental properties are barely coming back at this time.

They suggested that staff compare multiple sites around town and decided if this is where we want a senior housing developer to build? Do we want them in downtown, on the river front? Perhaps suggest other sites that might fit their budget.

E. 1101 Vermillion Street Demolition and Redevelopment

The house at 1101 Vermillion Street has now be demolished and the site along with the brown house next door (next to the Dairy Queen,) the city-owned property that was formerly 11th Street, as well as another residential site behind these, are all being considered for a one acre development that would be a 24hourr fast-food drive-through operation.

The commissions not excited about this prospect and have concerns due to the proximity to the residential neighborhood directly behind this potential site.

ADJOURNMENT:

Commissioner Elling Schultz moved to adjourn at 7:15pm, Commissioner Keena seconded.

Motion Passed 4 - 0

Next meeting is scheduled for **January 12, 2012** at 6:00pm in the Council Chambers.

Shannon M. Rausch,
HEDRA Secretary

FUND : 404-HRA REDEVELOPMENT ACTIVE ACCOUNTS ONLY PERIOD TO USE: Dec-2011 THRU Dec-2011
DEPT : 500 HOUSING & REDEVELOPMENT SUPPRESS ZEROS ACCOUNTS: 500-6003-6201 THRU 500-6206-6402

POST DATE TRAN # REFERENCE PACKET=====DESCRIPTION===== VEND INV/PO/JE # NOTE =====AMOUNT===== BALANCE=====

500-6003-6311 EXPERT & CONSULTANT
B E G I N N I N G B A L A N C E 25,083.21

12/06/11 12/12 A04928 CHK: 001123 02491 MARKETING SERVICES - NOV 000932 3,023.13 28,106.34
HIMLE HORNER INCORPORATED INV# 1111 /PO#
===== DECEMBER ACTIVITY DB: 3,023.13 CR: 0.00 3,023.13

500-6003-6450 MISCELLANEOUS
B E G I N N I N G B A L A N C E 35.00

12/27/11 12/29 A05572 CHK: 001125 02523 MEETING COMPENSATION X 9 000692 9.00 44.00
DENNIS GERALD PEINE INV# DEC 2011 /PO#
12/27/11 12/29 A05573 CHK: 001126 02523 MEETING COMPENSATION X 1 000787 12.00 56.00
KEENA, KURT INV# DEC 2011 /PO#
12/27/11 12/29 A05574 CHK: 001127 02523 MEETING COMPENSATION X 1 000788 10.00 66.00
SCHULTZ, DANNA E INV# DEC 2011 /PO#
12/27/11 12/29 A05575 CHK: 001128 02523 MEETING COMPENSATION X 6 000789 6.00 72.00
ANTHONY ALONGI INV# DEC 2011 /PO#
12/27/11 12/29 A05580 CHK: 001130 02523 MEETING COMPENSATION X 1 30320 12.00 84.00
HOLZEN, PAM INV# DEC 2011 /PO#
12/27/11 12/29 A05581 CHK: 001131 02523 MEETING COMPENSATION X 1 78350 13.00 97.00
TOPPIN, RON INV# DEC 2011 /PO#
===== DECEMBER ACTIVITY DB: 62.00 CR: 0.00 62.00

500-6008-6345 HEAT
B E G I N N I N G B A L A N C E 56.50

12/13/11 12/15 A05142 CHK: 946606 02499 HEATING/ GAS 49343 1,938.40 1,994.90
CENTERPOINT ENERGY INV# DEC 2011 /PO#
===== DECEMBER ACTIVITY DB: 1,938.40 CR: 0.00 1,938.40

--*-*-*-*-*-*-*-*-*-*-*-*-*-* 000 ERRORS IN THIS REPORT! *-*-*-*-*-*-*-*-*-*-*-*-*-*-**

** REPORT TOTALS ** --- DEBITS --- --- CREDITS ---
BEGINNING BALANCES: 70,912.86 0.00
REPORTED ACTIVITY: 5,023.53 0.00
ENDING BALANCES: 75,936.39 0.00

SELECTION CRITERIA

FISCAL YEAR: Jan-2011 / Dec-2011
 FUND: Include: 404
 PERIOD TO USE: Dec-2011 THRU Dec-2011
 TRANSACTIONS: BOTH

ACCOUNT SELECTION

ACCOUNT RANGE: 500-6003-6201 THRU 500-6206-6402
 DEPARTMENT RANGE: - THRU -
 ACTIVE FUNDS ONLY: NO
 ACTIVE ACCOUNT ONLY: YES
 INCLUDE RESTRICTED ACCOUNTS: NO
 DIGIT SELECTION:

PRINT OPTIONS DETAIL

OMIT ACCOUNTS WITH NO ACTIVITY: YES
 PRINT ENCUMBRANCES: NO
 PRINT VENDOR NAME: YES
 PRINT PROJECTS: YES
 PRINT MONTHLY TOTALS: YES
 PRINT GRAND TOTALS: NO
 PRINT: INVOICE/PO #
 PAGE BREAK BY: NONE

*** END OF REPORT ***

FUND : 407-ECONOMIC DEV-IND. PK ACTIVE ACCOUNTS ONLY PERIOD TO USE: Dec-2011 THRU Dec-2011
DEPT : 180 ECONOMIC DEVELOPMENT SUPPRESS ZEROS ACCOUNTS: 180-1502-6201 THRU 180-1502-6570

POST DATE TRAN # REFERENCE PACKET=====DESCRIPTION===== VEND INV/PO/JE # NOTE =====AMOUNT===== BALANCE=====

180-1502-6331 ADVERTISING-PROMOTIONAL
B E G I N N I N G B A L A N C E 250.00

12/13/11 12/15 A05125 CHK: 946661 02499 HSG COMM GUIDE 28200 610.00 860.00
RIVERTOWN NEWSPAPER INV# 459176 /PO#
===== DECEMBER ACTIVITY DB: 610.00 CR: 0.00 610.00

180-1502-6497 FEDERAL GRANTS
B E G I N N I N G B A L A N C E 41,437.31

12/13/11 12/15 A05086 CHK: 001124 02499 FIRE ALARM INSALL-113 2N 000993 5,334.47 46,771.78
ALARM EXPRESS LLC INV# 2059 /PO#
12/13/11 12/15 A05087 CHK: 001124 02499 FIRE ALARM INSTALL. 411 000993 4,208.50 50,980.28
ALARM EXPRESS LLC INV# 2084 /PO#
12/27/11 12/29 A05576 CHK: 001129 02523 FIRE ALARM INSTALL 208 2 000993 3,380.91 54,361.19
ALARM EXPRESS LLC INV# 2067 /PO#
12/27/11 12/29 A05577 CHK: 001129 02523 FIRE ALARM INSTALL 214/2 000993 4,259.02 58,620.21
ALARM EXPRESS LLC INV# 2073 /PO#
12/27/11 12/29 A05578 CHK: 001129 02523 FIRE ALARM INSTALL 218 2 000993 3,846.66 62,466.87
ALARM EXPRESS LLC INV# 2075 /PO#
12/27/11 12/29 A05579 CHK: 001129 02523 FIRE ALARM INSTALL 405 V 000993 3,698.53 66,165.40
ALARM EXPRESS LLC INV# 2081 /PO#
===== DECEMBER ACTIVITY DB: 24,728.09 CR: 0.00 24,728.09

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** REPORT TOTALS ** --- DEBITS --- --- CREDITS ---
BEGINNING BALANCES: 54,443.98 0.00
REPORTED ACTIVITY: 25,338.09 0.00
ENDING BALANCES: 79,782.07 0.00

SELECTION CRITERIA

FISCAL YEAR: Jan-2011 / Dec-2011

FUND: Include: 407

PERIOD TO USE: Dec-2011 THRU Dec-2011

TRANSACTIONS: BOTH

ACCOUNT SELECTION

ACCOUNT RANGE: 180-1502-6201 THRU 180-1502-6570

DEPARTMENT RANGE: - THRU -

ACTIVE FUNDS ONLY: NO

ACTIVE ACCOUNT ONLY: YES

INCLUDE RESTRICTED ACCOUNTS: NO

DIGIT SELECTION:

PRINT OPTIONS DETAIL

OMIT ACCOUNTS WITH NO ACTIVITY: YES

PRINT ENCUMBRANCES: NO

PRINT VENDOR NAME: YES

PRINT PROJECTS: YES

PRINT MONTHLY TOTALS: YES

PRINT GRAND TOTALS: NO

PRINT: INVOICE/PO #

PAGE BREAK BY: NONE

*** END OF REPORT ***

**HASTINGS ECONOMIC DEVELOPMENT
AND REDEVELOPMENT AUTHORITY**

RESOLUTION NO. 2012-01

**APPROVAL TO SUBMIT APPLICATION FOR FUNDING TO THE DAKOTA COUNTY CDA
REDEVELOPMENT INCENTIVE GRANT PROGRAM**

Commissioner _____ introduced the following resolution and moved its adoption:

WHEREAS, the Hastings Economic Development and Redevelopment Authority (HEDRA) has identified a proposed project within the City of Hastings that meets the Dakota County Community Development Agency (CDA) Redevelopment Incentive Grant program’s purposes and criteria; and

WHEREAS, The City and HEDRA have established a Redevelopment Plan of which the proposed project is a component; and

WHEREAS, HEDRA has the capability and capacity to ensure the proposed project be completed and administered within the Redevelopment Incentive Grant program guidelines; and

WHEREAS, HEDRA has the legal authority to apply for financial assistance; and

WHEREAS, HEDRA is supportive of affordable housing and of the CDA’s mission, to improve the lives of Dakota County residents through affordable housing and community development.

NOW THEREFORE BE IT RESOLVED that HEDRA approves the application for funding from the Dakota County CDA Redevelopment Incentive Grant program.

BE IT FURTHER RESOLVED that upon approval of its application by the Dakota County CDA, John Hinzman, Executive Director, is hereby authorized to execute such agreements as are necessary to receive and use the funding for the proposed project.

Commissioner _____ seconded the resolution and upon being put to a vote it was adopted:

Ayes:
Nays:
Absent:

By: _____
Its: President

ATTEST:

John Hinzman, Executive Director

Draft Agenda

HEDRA Workshop - February 16, 2011

Hudson Redevelopment

- 1) Status Update
 - a. Environmental Cleanup
 - b. Maintenance
 - c. Grants
 - d. Historic Nomination
- 2) Issues
 - a. Stark Reuse Plan
 - i. Reaction by HEDRA Members
 - ii. Reaction by Developers
 - iii. Status of 1945 Addition
 - iv. Reuse versus total demolition of property
 - v. New Development Concepts
 - b. Demolition of 1974 Addition
 - i. Timeline
 - ii. Salvageable items
 - c. Marketing of Site
 - i. When
 - ii. Tie into Marketing Plan
 - iii. Tie into Bridge Project
 - d. Financial Analysis - Ehlers
 - i. Analysis of Potential Uses
 - ii. TIF generation
 - e. Conformance to City Plans
 - i. Heart of Hastings
 - ii. Comprehensive Plan
 - iii. Zoning
 - iv. Parking
 - f. Riverfront Link
 - i. Parkland
 - ii. National Park Service Participation
 - iii. Docking
- 3) Next Steps
 - a. Additional Information Needed
 - b. Priorities
 - c. Goals and next steps

Marketing Plan

- 1) Prioritize business locations/types for economic development
- 2) Develop HEDRA Messages
 - a. Reach agreement/refine HEDRA and general messages depending on target audiences (see Key Messages)
 - b. Develop boilerplate language about HEDRA for news releases and other communications based on Key Messages
 - c. Utilize messages/highlight components of messages depending on key business targets. For example, if HEDRA is seeking tourist organizations, Hastings' riverside and open areas should be priorities. If HEDRA is seeking big box retail companies, prioritize use of the "gateway" messages.
- 3) Assemble case studies/success stories
- 4) Develop Promotion Kit
- 5) Direct Outreach to Existing Businesses
 - a. Brief newsletter/email update