

**HASTINGS ECONOMIC DEVELOPMENT & REDEVELOPMENT  
AUTHORITY**

**April 12, 2012, 6:00 pm.  
Hastings City Hall Volunteer Room**

I. Quorum

II. Minutes – March 8, 2012 meeting

III. Bills

IV. Business

A. Consider Payment to Separate Hard Wired Alarm Systems

V. Reports and Information

A. Go Kids Day Marketing Update

B. Marketing Plan

C. Hudson Redevelopment

VI. Adjourn

*Next Meeting: May 10, 2012*

## HEADRA AGENDA NOTES FOR APRIL 12, 2012

### MINUTES

*Please see attached HEDRA Meeting minutes from the March 8, 2012 regular meeting for your review and approval.*

### BILLS

#### March Bills

Dakota County	\$41,683.62	Property Taxes – Hudson & 21xx Vermillion St
Alarm Express	\$5,549.45*	Hard Wire Farm Alarm Installation
Centerpoint Energy	\$5,009.53	Hudson – Gas & Heat
Xcel Energy	\$2,521.51	Hudson - Electricity
Ehlers & Associates	\$536.25	Hudson – Feasibility Analysis

*\*Reimbursable Expense*

*Please see attached general ledger detail for further information.*

### BUSINESS

#### A. Consider Payment to Separate Hard Wired Alarm Systems

Pam Holzem owner of 114 and 116 East 2<sup>nd</sup> Street seeks assistance to separate the recently installed hard wired alarm system that is currently shared between the two buildings (please see attached letter). The cost to separate the systems is estimated at \$2,909.06. Most of the systems have been installed, with installation costs matching the bid estimate. It does not appear that allocated funding would be available to satisfy Ms. Holzem's request; funds would need to be transferred from elsewhere.

Hard wired alarm systems are required in mixed occupancy buildings (residential and commercial). 30 buildings in the City require systems to be installed. The City and HEDRA provided funding to pay the full cost of system installation plus three years of monitoring. In order to eliminate property owner installation cost, shared systems were established in ten buildings; without this combination, funding would not have been available to pay the full expense, resulting in out of pocket installation cost to property owners.

The request was discussed at the March 8<sup>th</sup> HEDRA Meeting. Commissioners directed staff to contact the owners of similar properties to determine if they preferred to have the systems separated. A final tabulation of split requests will be presented at the meeting. Buildings with shared systems include the following:

- 110-112 East 2<sup>nd</sup> Street – Blankenship
- 117-116 East 2<sup>nd</sup> Street – Holzem

- 120-122 East 2<sup>nd</sup> Street – Peterson
- 214-216 East 2<sup>nd</sup> Street – Craft & Jung
- 209-211 East 2<sup>nd</sup> Street – Behrens

The request could be funded through a transfer from one of the following accounts:

<b>Account</b>	<b>Current Balance</b>
HRA Fund Balance	\$593,000
Commercial Loan	\$40,000

## **REPORTS**

### **A. Go Kids Day Network Presentation**

Following the March 8<sup>th</sup> HEDRA meeting staff met with GoKidsDay.com founder, Bill Veeneman and Gahnz Furniture Store Owner, Cheryl Wagner to see how HEDRA can support their marketing effort and work with them. One way that was determined was to invite members of the business community that were originally part of our marketing small group focus group to come to a meeting at City Hall where Mr. Veeneman and Ms. Wagner will be available to present the GoKidsDay shop local campaign and answer questions about how the program works. This meeting will be set towards the end of April. More information pertaining to the meeting once they become available.

### **B. Marketing Plan**

Staff continues to work on various parts of the marketing plan. First of which is revising the layout of the Economic Development website to make information easier to find as well as updating the content where needed. Also as a part of this effort staff is creating case study marketing sheet, the first of which are attached at the back of this packet. These case studies focus on eight of HEDRA's more prominent projects and how the project utilized different services or programs HEDRA has to offer.

*Please see the attached Case Studies for further information.*

### **C. Hudson Redevelopment**

Dakota CDA has awarded an \$110,000 redevelopment grant and \$2,500 marketing grant for the Hudson Redevelopment Site. HEDRA has now secured \$250,000 in grant funds towards the demolition of the 1974 Hudson addition. Based on our demolition estimate, we now have funds in place to fully pay for the demolition.

## **ATTACHMENTS**

- HEDRA Minutes – March 8, 2012
- General Ledger Detail – March, 2012
- Marketing Case Studies

# **Hastings EDRA**

## **Hastings Economic Development and Redevelopment Authority**

6:00 pm Hastings City Hall

### **Minutes of March 8, 2012**

HEDRA Commissioners Present: Pam Holzem, Ron Toppin, Danna Elling Schultz, Kurt Keena, and Tony Alongi

HEDRA Commissioners Absent: HEDRA President Dennis Peine & Mike Kelley

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

Others Present: Cheryl Wagner, Gahnz Furniture, and Bill Veeneman GoKidsDay.com Marketing.

#### **I. QUORUM:**

A quorum was established and the meeting was called to order, by Vice President Holzem at 6:00pm with five members present.

#### **II. MINUTES**

Commissioner Keena motioned to approve the minutes from the February 16, 2012 meeting, Commissioner Elling Schultz seconded the motion.

Motion approved 5-0

#### **III. BILLS**

Commissioner Toppin motioned to pay the bills, Commissioner Keena seconded the motion.

Motion approved 5-0

#### **IV. BUSINESS**

##### **A. Hudson Redevelopment Demolition of the 1974 addition**

###### **1. Order Public Hearing**

The Commission discussed plans for scheduling a Public Meeting. After a brief discussion the Commission decided to wait until sometime in late May or early June, once the completed RAP is available. The Commission felt that this Public Meeting could be used to share information about not only the demolition of the 1974 addition, but also as an opportunity to hear ideas from the public on the redevelopment of the site. The Commission will set the actual date for the Public Meeting at a future meeting.

###### **2. Authorize Preparation of Plans and Specifications**

Commissioner Toppin motioned, Commissioner Keena seconded the motion to direct staff to prepare plans and specifications for the demolition or removal of the 1974 building.

Motion approved 5-0

**B. Consider Residential Rehabilitation Loan: 706 Vermillion St. –Mark Borchardt**

Commissioner Elling Schultz motioned to approve the \$20,000 for rehabilitation, Commissioner Toppin seconded the motion.

Motion approved 5-0

**V. REPORTS & INFORMATION**

**A. GoKidsDay.com – Marketing Presentation**

Cheryl Wagner, from Gahnz Furniture introduced Bill Veeneman of GoKidsDay.com and how she is planning to work with Mr. Veeneman and other local small businesses in Hastings to develop a “shop local” campaign. Mr. Veeneman then gave a 25 minute presentation explaining his shop local marketing program to the Commission. Commissioners expressed their supportive for the GoKidsDay.com Marketing Program. Such a marketing program fits well with the desires of Commission and the marketing focus group to emphasize shopping locally.

The Commission directed Staff to work with GoKidsDay.com to determine how the two organizations can work together best.

*\* Commissioner Alongi excused himself from the meeting at 6:50pm.*

**B. HEDRA Workshop Recap**

Commissioner Elling Schultz stated it was a good meeting and there was good comprehensive conversation. There was discussion raised regarding how to navigate 2012 into 2013.

**C. Marketing Plan**

Staff, seeking verification on activities laid out in the Marketing Plan, was directed by the Commission to focus on two types of businesses which are currently missing from the City’s current business make-up.

1. Industrial/manufacturing type jobs,
  - a. Perhaps an outdoor/recreational manufacturer (kayaks, canoes, bikes, fly fishing, etc.) would find Hastings Industrial Park appealing with the land incentives, plus nearby natural resources for testing their products.)
2. Commercial/Semi Professional businesses
  - a. Nongovernmental

Staff also discussed a few of the top development locations. These included;

1. Downtown/Hudson Redevelopment site with its ties to the new bridge
2. Industrial Park
3. Midtown District (where there are currently several vacant properties)

4. The property that HEDRA owns in the 2200 block of Vermillion.

The next step for staff is to confer with DEED to seek further advice on prioritizing of economic development opportunity in Hastings.

**D. Hudson Redevelopment**

Hinzman reported on a meeting He and City Administrator Dave Osberg, and Park and Recreation Director Barry Bernstein had with the National Park Services (NPS) to see if they have any interest in being a part of the Hudson redevelopment project. The NPS indicated that they are interested, but will have to wait and see how it all comes together and how their financials work with the possibilities.

**E. Community Development Annual Report**

Hinzman provided a presentation on the 2011 Community Development Annual Report.

**F. Discuss Payment to Separate Hard Wired Alarm System: 114-116 East 2<sup>nd</sup> Street – Pam Holzem**

Vice President Holzem removed herself from discussion, citing her ownership of the property to be discussed. Commissioner Keena nominated Commissioner Toppin as “Acting President” for the discussion, and Commissioner Elling Schultz seconded the motion.

The Commission directed staff to check with other projects with similar situations to see if any of them have an interest in separate their fire alarm systems. The Commission also asked that staff determine where funds would come from for HEDRA to pay for the additional work necessary to separate the systems.

**VI. ADJOURNMENT**

Commissioner Elling Schultz motioned to adjourn at 7:20 pm Commissioner Keena seconded that motion.

Motion approved 4 - 0

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

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Shannon M. Rausch,  
HEDRA Secretary

FUND : 404-HRA REDEVELOPMENT ACTIVE ACCOUNTS ONLY PERIOD TO USE: Mar-2012 THRU May-2012  
 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=====

500-6003-6206 DUPLICATING & COPYING SUPPLIES  
 B E G I N N I N G B A L A N C E 41.66  
 3/09/12 3/22 B10604 CCARD 03262 copier usage JE# 005518 33.52 75.18  
 ===== MARCH ACTIVITY DB: 33.52 CR: 0.00 33.52  
 ===== ACCOUNT TOTAL DB: 33.52 CR: 0.00

500-6003-6321 TELEPHONE  
 B E G I N N I N G B A L A N C E 0.00  
 3/09/12 3/22 B10604 CCARD 03262 telephone JE# 005518 6.57 6.57  
 ===== MARCH ACTIVITY DB: 6.57 CR: 0.00 6.57  
 ===== ACCOUNT TOTAL DB: 6.57 CR: 0.00

500-6003-6337 INSURANCE-GENERAL LIABILITY  
 B E G I N N I N G B A L A N C E 0.00  
 3/20/12 3/26 A07587 CHK: 947403 02645 GENL LIAB 44648 649.00 649.00  
 LEAGUE MN CITIES INSURANC INV# 39346 /PO#  
 ===== MARCH ACTIVITY DB: 649.00 CR: 0.00 649.00  
 ===== ACCOUNT TOTAL DB: 649.00 CR: 0.00

500-6003-6340 INSURANCE-WORKERS COMPENSATION  
 B E G I N N I N G B A L A N C E 843.30  
 3/20/12 3/26 A07586 CHK: 947403 02645 WORKERS COMP 44648 843.30 1,686.60  
 LEAGUE MN CITIES INSURANC INV# 22264 /PO#  
 ===== MARCH ACTIVITY DB: 843.30 CR: 0.00 843.30  
 ===== ACCOUNT TOTAL DB: 843.30 CR: 0.00

500-6004-6350 REPAIRS & MAINT-BUILDING  
 B E G I N N I N G B A L A N C E 137.52  
 3/20/12 3/20 B10598 03257 Reversal of Late Payment JE# 005514 41,683.62CR 41,546.10CR  
 3/20/12 3/26 A07561 CHK: 001149 02645 HUDSON PROPERTY-2ND HALF 12044 461.99 41,084.11CR  
 DAKOTA COUNTY PROPERTY RE INV# 19-32150-05-021 2 /PO#  
 3/20/12 3/26 A07562 CHK: 001149 02645 HUDSON PROPERTY-2ND HALF 12044 20,111.87 20,972.24CR  
 DAKOTA COUNTY PROPERTY RE INV# 19-32150-05-070 2 /PO#



FUND : 404-HRA REDEVELOPMENT ACTIVE ACCOUNTS ONLY PERIOD TO USE: Mar-2012 THRU May-2012  
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=====
3/20/12	3/26	A07563	CHK: 001149	02645 HUDSON PROPERTY-2ND HALF 12044				292.37	20,679.87CR
				DAKOTA COUNTY PROPERTY RE	INV# 19-32150-05-072	2	/PO#		
3/20/12	3/26	A07564	CHK: 001149	02645 HUDSON PROPERTY-2ND HALF 12044				10,712.31	9,967.56CR
				DAKOTA COUNTY PROPERTY RE	INV# 19-32150-06-050	2	/PO#		
3/20/12	3/26	A07565	CHK: 001149	02645 HUDSON PROPERTY-2ND HALF 12044				831.62	9,135.94CR
				DAKOTA COUNTY PROPERTY RE	INV# 19-32150-06-060	2	/PO#		
3/20/12	3/26	A07566	CHK: 001149	02645 HUDSON PROPERTY-2ND HALF 12044				684.48	8,451.46CR
				DAKOTA COUNTY PROPERTY RE	INV# 19-32150-06-061	2	/PO#		
3/20/12	3/26	A07567	CHK: 001149	02645 HUDSON PROPERTY-2ND HALF 12044				4,822.20	3,629.26CR
				DAKOTA COUNTY PROPERTY RE	INV# 19-32150-06-090	2	/PO#		
3/20/12	3/26	A07568	CHK: 001149	02645 MANN PROPERTY-2ND HALF 2 12044				3,766.78	137.52
				DAKOTA COUNTY PROPERTY RE	INV# 19-81700-01-081		/PO#		
			=====	MARCH ACTIVITY	DB: 41,683.62	CR: 41,683.62CR		0.00	
			=====	ACCOUNT TOTAL	DB: 41,683.62	CR: 41,683.62CR			

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 500-6008-6311 EXPERT & CONSULTANT  
 B E G I N N I N G B A L A N C E 636.25

3/13/12	3/15	A07402	CHK: 001148	02631 HUDSON SPRAYERS FEASIBIL 17192				536.25	1,172.50
				EHLERS & ASSOC	INV# 344326		/PO#		
			=====	MARCH ACTIVITY	DB: 536.25	CR: 0.00		536.25	
			=====	ACCOUNT TOTAL	DB: 536.25	CR: 0.00			

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 500-6008-6343 LIGHT & POWER  
 B E G I N N I N G B A L A N C E 2,474.66

3/09/12	3/22	B10604	CCARD	03262 electricity		JE# 005518		2,521.51	4,996.17
			=====	MARCH ACTIVITY	DB: 2,521.51	CR: 0.00		2,521.51	
			=====	ACCOUNT TOTAL	DB: 2,521.51	CR: 0.00			

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 500-6008-6345 HEAT  
 B E G I N N I N G B A L A N C E 4,621.61

3/13/12	3/15	A07415	CHK: 947341	02631 HEATING/ GAS	49343			5,009.53	9,631.14
				CENTERPOINT ENERGY	INV# MAR 2012		/PO#		
			=====	MARCH ACTIVITY	DB: 5,009.53	CR: 0.00		5,009.53	
			=====	ACCOUNT TOTAL	DB: 5,009.53	CR: 0.00			

FUND : 404-HRA REDEVELOPMENT ACTIVE ACCOUNTS ONLY PERIOD TO USE: Mar-2012 THRU May-2012  
 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=====

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000 ERRORS IN THIS REPORT!

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** REPORT TOTALS **	---	DEBITS ---	---	CREDITS ---
BEGINNING BALANCES:		8,995.64		0.00
REPORTED ACTIVITY:		51,283.30		41,683.62CR
ENDING BALANCES:		60,278.94		41,683.62CR

FUND : 407-ECONOMIC DEV-IND. PK ACTIVE ACCOUNTS ONLY PERIOD TO USE: Mar-2012 THRU Mar-2012  
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=====

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180-1502-6321 TELEPHONE  
B E G I N N I N G B A L A N C E 0.00

3/09/12 3/22 B10604 CCARD 03262 telephone JE# 005518 6.57 6.57  
===== MARCH ACTIVITY DB: 6.57 CR: 0.00 6.57

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180-1502-6497 FEDERAL GRANTS  
B E G I N N I N G B A L A N C E 28,426.65

3/06/12 3/08 A07219 CHK: 001147 02619 FIRE ALARM INSTALL- 207 000993 5,549.45 33,976.10  
ALARM EXPRESS LLC INV# 2065 /PO#  
===== MARCH ACTIVITY DB: 5,549.45 CR: 0.00 5,549.45

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

\*\* REPORT TOTALS \*\* --- DEBITS --- --- CREDITS ---  
BEGINNING BALANCES: 28,866.65 0.00  
REPORTED ACTIVITY: 5,556.02 0.00  
ENDING BALANCES: 34,422.67 0.00



**BEFORE**

Carlson Capital Management, a comprehensive wealth management firm with more than \$900 million in assets outgrew existing office space north of Hastings.

The Hastings Economic Development and Redevelopment Authority (HEDRA) assisted Carlson on their office needs. HEDRA proposed sale of an existing 0.4 acre redevelopment site in Downtown Hastings for one dollar.

Located at 118 East 4th Street, the site was valued at over \$140,000. In exchange Carlson constructed a 3,800 square foot building valued at over \$330,000.

Opening in 2011, the showplace brick and stone building is an architectural gem. The Carlson building complements adjacent historic structures and incorporates a grove of mature oak trees into the site.



# H.D. Hudson Manufacturing

800 East 10th Street, Hastings, MN



## New Location



H.D. Hudson Manufacturing has produced agricultural sprayers in downtown Hastings since 1909. Over the last century the Hastings facility grew to over 167,000 square feet on four acres of property.

Located on the Mississippi riverfront, a portion of Hudson's property was needed as part of the new TH 61 Bridge. Over half an acre of land and nearly 40,000 s.f. of warehouse would be eliminated. The acquisition required Hudson to modify its operations.

Options included rebuilding on the existing site, operating a secondary off site warehouse during the construction, relocating the entire facility out of the state, or relocate or rebuild elsewhere in Hastings.

The Hastings Economic Development and Redevelopment Authority (HEDRA) worked with Hudson to facilitate a move that would keep them in Hastings. HEDRA worked with the owner of a vacant industrial building within the City and employed the services of an industrial engineering firm to assess viability of the site for Hudson's needs.

The vacant building proved to be a good fit for Hudson. To facilitate future expansion, HEDRA and the City of Hastings waived all development fees for a period of two years on Hudson's new facility.

## ORIGINAL LOCATION



In 2010 Hudson relocated its operations in Hastings. HEDRA purchased the Hudson building in 2010 and is examining reuse concepts for the site.



# NAPA

1501 Vermillion Street, Hastings, MN



Linn Companies owns a gas station at the corner of Highway 61 and 15th Street. Directly across the street a small gas station lay vacant for over ten years. Linn Companies sought to develop the property but the demolition and site preparation costs were substantial.

The Hastings Economic Development and Redevelopment Authority (HEDRA) established a Tax Increment Finance (TIF) District to assist with redevelopment. TIF calculates the increment between the current and projected developed value of the property. A portion of the increment is made available upfront to assist in property development. HEDRA issued a \$245,000 TIF note to assist with the cleanup and site preparation costs.



Issuance of the TIF note allowed Linn Companies to construct a NAPA auto parts store on the site. The new 8,500 square foot building replaced a community eyesore and increased the vitality of the commercial corridor.