



HEDRA AGENDA NOTES
February 9, 2017
6:30pm

II. MINUTES

Please see the attached HEDRA Meeting minutes from the January 12, 2017 regular meeting for your review and approval.

III. BILLS

January Bills

Stantec Consulting	*\$16,698.64	Hudson - Environmental
Centerpoint Energy	\$3,060.92	Hudson – Maintenance - Heat
Greater MSP	\$425.00	Salesforce Computer Software License
Siganarama	\$168.75	General Office Supplies - Hill
Dakota County Property	\$81.59	HEDRA Loan – Recording Fees
Xcel Energy	\$61.27	Hudson – Maintenance – Light & Power
Ace Hardware	\$41.73	Hudson – Maintenance - Supplies

** Reimbursable Expense*

Please see attached general ledger detail from the last two months for further information.

IV. BUSINESS

A. Review Hastings Economic Development Report

WSB has completed the final draft of the attached Hastings Economic Development Report. A summary of report findings will be presented at the meeting for review and discussion.

ACTION – Review the attached Hastings Economic Development Report. Final adoption of the report is tentatively scheduled for the March meeting.

B. Review Request for Proposal: Vermillion Street Corridor Study

The City Council has identified improvement of Vermillion Street as a priority development item. The goal of this project is to obtain a working plan for economic growth and redevelopment along the corridor. A successful outcome of this study would include the identification of properties and/or sites that can be targeted for development or redevelopment. Along with a target site study,

recommendations related to specific types of development that should occur on those sites is expected. Additionally, recommendations should be provided as to what the city's role should be in the development and redevelopment activities within these targeted sites.

The City Council is scheduled to review the RFP on February 6th. The eight month project would begin in April and conclude by the end of 2017.

ACTION – Review the attached Vermillion Street Corridor Study. Upon favorable review by the Commission, the RFP would be released for response by planning and development firms.

V. REPORTS AND INFORMATION

A. Community Development Annual Report

Please find the 2016 Community Development Annual Report attached for your review. Further information will be presented at the meeting.

B. Open To Business Annual Report

Open To Business is a joint effort between Dakota County and nine cities to provide free one-on-one business consulting services and gap loan financing to entrepreneurs of new and existing businesses. Since 2013 over 40 individuals from Hastings have utilized the service and two gap loans have been issued for expansion. Further information on the project can be found at www.opentobusinessmn.org.

The number of visits for 2016 were less than in previous years. Advertising efforts will be expanded to increase utilization of the service. The annual cost to the City of Hastings in 2017 is \$5,171, a slight increase from the \$5,000 fee of previous years.

Please find the 2016 Open To Business Annual Report attached for your review.

C. Hudson Development

Below is a summary of Hudson Development activities. Changes from the previous update are noted in red.

Purchase and Development Agreement – The agreement been signed by all parties, we are awaiting resolution of the following in order to transfer the property:

- **Section 106 Review** – The City has completed a Section 106 Review of historic impacts (as required to use the \$600,000 EPA Cleanup Grant). SHPO has issued a Conditional No Adverse Effect Letter to

EPA to allow funding to be used for remediation. Approval is conditioned on the successful completion of the Historic Tax Credit Application for the site. Staff has received authority from EPA to begin environmental remediation activities.

- **Environmental Remediation** – EPA funds can now be spent on the following environmental activities:
 - **Exterior Contaminated Soil Excavation** - HEDRA has approved a contract with Frattalone for remaining soil remediation. **Excavation will begin March 1st and conclude in 2-3 weeks.**
 - **Interior Contaminated Soil Excavation** – Crawlspace areas of the building contain contaminated soils. Original bids exceeded the engineer’s estimate due to the uncertainty and methodology for removal. We have split the contract into two phases.
 - **Phase I – Floor Removal** – Removal will allow for further testing to better quantify removal of soils. No bids were received from the original letting or extension. We have received authorization from EPA to directly contract for the floor removal. HEDRA authorized the contract with Frattalone on December 8th. **Floor removal will begin in February and conclude in 1-2 weeks.**
 - **Phase II - Soil Treatment** – We have received verbal approval from the Minnesota Pollution Control Agency (MPCA) to encapsulate interior contaminated soils to avoid removal. We are revising the Response Action Plan (RAP) for cleanup to reflect the change and anticipate formal approval from MPCA in about one month.
 - **Soil Vapor** – Final design of a vapor intrusion mitigation system is underway to remediate soil vapor beneath the building. **Installation of the system in the crawl space areas will completed concurrent with interior soil treatment.**
 - **Environmental Completion Documents** – The City and Stantec have begun preparing environmental completion documents for MPCA authorization.
- **Site Plan Approval** – Confluence has submitted plans for the parking structure, landscaping, and soil grading. Revised plans for landscaping are under development.

- **Architectural Approval – SHPPO & US Park Service** –Plans have been submitted to both parties in order to satisfy Historic Tax Credit requirements. Review letters from both have been received the developer is working through details to secure approval.
- **Transfer of Property** – Transfer of the property in early 2017 is sought.

D. Commercial Real Estate

CBRE continues to market HEDRA owned commercial and industrial property. Please see the attached update for further information.

E. Commercial Vacancy

	Available February, 2017	Available January, 2017	Net Change
Downtown	10	10	0
Highway 55	15	15	0
Vermillion Street	18	18	0
Industrial Park	4	4	0
TOTAL	47	47	0

F. Development Activity

- **Artspace Hastings Lofts** – Foundation and block work continues.
- **Allina Clinic** – Steel is being erected.
- **Aveka Group** – Aveka Group has subleased approximately 40,000 s.f. of the Smead Manufacturing Building at 600 10th Street E. Aveka specializes in particle processing technology offering contract manufacturing and custom research and development services. They are currently headquartered in Woodbury. Further information can be found at www.aveka.com.
- **South Oaks of Hastings 4th Addition** – The City Council is scheduled to take action on the subdivision to create 30 new single family lots located southwest of 31st Street and Century Drive.

ATTACHMENTS

- HEDRA Minutes – January 12, 2017
- HEDRA Bills – January, 2017
- Hastings Economic Development Report
- RFP – Vermillion Street Corridor Study
- 2016 Community Development Annual Report
- Open To Business Annual Report
- Commercial Real Estate Update