



**HEDRA AGENDA NOTES**  
**April 13, 2017**  
**6:30pm**

**II. MINUTES**

*Please see the attached HEDRA Meeting minutes from the March 9th regular meeting for your review and approval.*

**III. BILLS**

**March Bills**

Artspace	\$16,317.61	Local Match for MN DEED Grant
Centerpoint Energy	\$3,206.31	Hudson – Maintenance - Heat
Terry Vlach	*\$2,930.00	Residential Rehab Loan – 4 <sup>th</sup> Draw
Tyco Security	\$278.22	Hudson – Maintenance - Security
MN Pollution Control	*\$250.00	Hudson – Environmental - Review
Morgan Hill	\$142.96	Mileage Reimbursement

*\* Reimbursable Expense*

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

**IV. BUSINESS**

**A. Resolution: Authorize Signatories for Banking Transactions**

Melanie Lammers has been hired as the City’s new Finance Manager, filling the vacancy created by Rebecca Petersen’s departure. Melanie will also act as the Assistant Treasurer for HEDRA. The attached resolution memorializes the change.

**ACTION – Adopt Resolution No. 2017-02 Authorizing Banking Signatories. Please see the attached resolution for further information.**

**B. Approve Commercial Revolving Loan Fund Guidelines**

The Commercial Revolving Loan Fund (RLF) was reviewed last month and we received no comments. As previously discussed, this RLF has the ability to serve the entire Hastings’ business community, and not just those located in designated redevelopment project areas. This RLF will be funded by the HEDRA Fund Balance, with an initial allocation of \$200,000 and the opportunity for adjustment

if future demand requires. We are looking for authorization to implement the revised Economic Development RLF program.

**ACTION – Approve the Commercial Revolving Loan Fund Guidelines. Please see the attached Guidelines and Application for further information.**

**C. Resolution: Authorize Signature - Amendment to Purchase and Development Agreement – Hudson Manufacturing Building**

On January 18, 2016 HEDRA, the City Council, and Confluence Development entered into a Purchase and Development Agreement for the Hudson Manufacturing Building located at 200 West 2<sup>nd</sup> Street. As we move closer to transfer of the property, the following amendments are requested:

**Conditions for Conveyance of the Property (Section 3.3)**

- The Developer has agreed to eliminate paragraphs (a), (b), and (c) as a condition of sale. The paragraphs require approval of development plans by the City and other governmental agencies. Confluence has already received partial Site Plan and Plat approval. Other approvals including the final grading, landscape, parking, plat, and historic tax credits would be secured after transfer.
- Environmental remediation detailed in paragraph (g) has been modified to eliminate receipt of a “No Further Action Letter” from the Minnesota Pollution Control Agency (MPCA). A “Status of Certificate of Completion Letter” has been added in lieu of the No Further Action Letter to recognize that the Soil Vapor Intrusion Mitigation System would not be complete prior to transfer.
- Modify the Contingency Date.

**Commencement and Completion of Construction (Section 4.3)**

Modify the Completion of Construction Dates.

**Future Parking Consideration (Section 4.9)**

The paragraph has been modified to reflect the issuance of the Metropolitan Council LCDA grant for construction of a parking structure. Confluence is also given the option to construct the parking structure on the 1<sup>st</sup> National Bank Site, subject to approval by the City and Metropolitan Council. Further plans for relocation of the parking need to be developed by Confluence, however the amendment preserves the option to move, subject to future approvals.

**ACTION – Adopt Resolution No. 2017-03 - Authorize Signature - Amendment to Purchase and Development Agreement – Hudson Manufacturing Building.**

*Please see the attached Resolution and Original Purchase and Development Agreement for further information. Further information on the Amended Purchase and Development Agreement will be presented at the meeting.*

## **V. REPORTS AND INFORMATION**

### **A. HEDRA 4<sup>th</sup> Quarter 2016 Financial Report**

Please find the attached memo from Diane Archer outlining the 4<sup>th</sup> Quarter 2016 Financial Report.

### **B. Shovel Ready Designation – Hastings Business and Industrial Park**

The Site Certification process is moving forward. With assistance from Engineering, Public Works, MN DEED, Met Council, Dakota County CDA and Xcel Energy, we have completed information related to Site Transportation Infrastructure (highway, rail, air, port) and Site Utility Infrastructure (electric, natural gas, water, wastewater, sewer, storm water, fiber/telecom/broadband). We are working with Xcel Energy to complete Site Analysis (environmental, wetlands, archeological). We have completed the ALTA Title Commitment and are working to complete a Survey of the site.

Once certified through Xcel Energy, certification through MN DEED is streamlined and can be completed for little or no additional expense. This week, MN DEED, along with Xcel Energy, Great River Energy and GreaterMSP, is meeting with consultants in Chicago to build awareness of these certification programs and market certified sites.

### **C. Market/Business Visits**

Developers have been a great source of insight into the Hastings market. Meeting with both residential and commercial developers has provided us with a better understanding of the perceptions and realities of Hastings, as well as the opportunities and challenges that come with them.

- Understanding our skilled workforce (who we have and where we can pull from) and communicating that to potential businesses and/or developers will help assist companies in gaining a comfort level in workforce availability.
- Understanding current infrastructure needs and doing what we can to assist will aid in interest and lessen development time and costs.
- Ensuring that we present a streamlined and transparent process. Each city has a different development process with varying guidelines; a longer and/or more complicated process may not drive away development if it is transparent and understood by the developer and followed through by the city.
- Continuing to “tell our story” – build upon the momentum we have with the downtown redevelopment.

### **D. 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** – Initial work has been completed. Soil testing has revealed expanded areas of excavation which will be completed by April 14<sup>th</sup>.
  - **Interior Removals and Soil Treatment** – Removal of non-load bearing walls within the building has been completed by Confluence at their expense. Interior flooring over crawl space areas have been removed. 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 be completed concurrent with interior soil treatment.
  - **Environmental Completion Documents** – The City and Stantec have begun preparing environmental completion documents for MPCA authorization.
- **Amendment to Plat** – Confluence seeks approval to subdivide the Hudson property into three parcels as follows:
  - Existing building, including East fire pit area
  - Parking lot/future expansion area to the west of west wing of building.
  - Riverfront park area in northwest corner.The request will be brought before the Planning Commission in the near future.
- **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.

#### E. Commercial Real Estate

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

#### F. Commercial Vacancy

	Available April, 2017	Available March, 2017	Net Change
<b>Downtown</b>	8	9	-1
<b>Highway 55</b>	13	13	0
<b>Vermillion Street</b>	19	19	0
<b>Industrial Park</b>	3	3	0
<b>TOTAL</b>	<b>43</b>	<b>44</b>	<b>-1</b>

- The former 61 Roadhouse at 412 Vermillion Street is opening as **Country Nites Saloon**
- **Crossroads Church** has leased the former Dollar Tree space next to Coborns.

#### G. Development Activity

- **Artspace Hastings Lofts** – framing and interior work continues
- **Allina Clinic** – framing and interior work continue.

#### ATTACHMENTS

- HEDRA Minutes – March 9, 2017
- HEDRA Bills – March, 2017
- Resolution 2017-02 – Authorization of Banking Signatories
- Commercial Revolving Loan Fund Guidelines
- Resolution 2017-03 – Authorization to Sign Amendment to Purchase and Development Agreement - Hudson
- Executed Purchase and Development Agreement (1/18/16) – Hudson
- HEDRA 4<sup>th</sup> Quarter 2016 Financial Report
- CBRE Commercial Real Estate Update