



HEDRA AGENDA NOTES
June 1, 2017
6:30pm

II. MINUTES

Please see the attached HEDRA Meeting minutes from the April 13th regular meeting for your review and approval.

III. BILLS

April Bills

Stantec Consulting	*\$38,568.80	Hudson – Environmental Cleanup
Dakota County CDA	\$5,171.00	Open To Business – Annual Fee
Centerpoint Energy	\$2,876.84	Hudson – Maintenance - Heat
DCA Title	\$620.00	Shovel Ready Certification – Title Commitment
MN Pollution Control	*\$562.50	Hudson – Environmental - Review
Xcel Energy	\$307.74	Hudson – Maintenance – Light & Power
Morgan Hill	\$143.28	Mileage Reimbursement
Tyco Security	\$128.37	Hudson – Maintenance - Security
Hamline University	\$100.00	Conference – Economic Development

** Reimbursable Expense*

May Bills

Frattalone Companies	*\$34,487.34	Hudson – Environmental – Flooring Removal
Acrobat Standard	\$246.00	Admin – Software Purchase
Tyco Security	\$128.37	Hudson – Maintenance - Security

** Reimbursable Expense*

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

IV. BUSINESS

A. Award Contract – Debris Removal – Hudson Manufacturing

Bids for the removal of various debris within the crawl space areas of the former Hudson Manufacturing Facility located at 200 West 2nd Street are due on May 31st. City Staff and Stantec will review the bids and provide an award recommendation at the meeting.

ACTION – Award Debris Removal Contract. Further information proved at the meeting. Please see the attached Contract Exhibits for further information.

B. Approve Residential Rehabilitation Loan Program Guidelines

The Owner-Occupied Residential Rehabilitation Loan Program was created to provide supplemental financing to residents in the City of Hastings to assist in the costs of building improvements to preserve and improve affordable housing, to preserve and make appropriate improvements to buildings which contribute to neighborhood appearance and/or the historic character of the community and to correct conditions which threaten the health, safety and welfare of residents.

The program information and eligibility requirements remain the same. Additionally, the terms have remained the same:

- Maximum loan term is 10 years
- Interest rate of 0.25% above prime rate assessed at beginning of loan term
- Loan is payment and interest free for the first year

We have updated the document to better distinguish the program from the Economic Development Revolving Loan Fund, which is targeted to assisting in the expansion and rehabilitation of commercial and retail buildings.

Updates to the Owner-Occupied Residential Rehabilitation Loan program include a streamlined application, as well as a better defined process for:

- Application Procedure
- Review Process
- Distribution of Funds
- Repayments & Default

ACTION – Approve updated Owner-Occupied Residential Rehabilitation Loan Program Guidelines. *Please see the attached Loan Guidelines for further information.*

C. Resolution: Residential Rehab Loan – Hilger – 406 7th Street E

Charles and Brownell Hilger have submitted a request for a \$19,625 Owner Occupied Residential Rehabilitation Loan to assist with exterior repairs (tuckpointing, bricks, chimney and cement pad), repairs to front yard light posts (rewiring, repainting, re-veneered, restored to original appearance), as well as the refinishing of exterior trim for property located at 406 7th St. E. Total project costs are estimated at \$39,250.00.

ACTION – Adopt Resolution 2017-04 – Approving a \$19,625 Owner-Occupied Residential Rehabilitation Loan for work at 406 7th St. E for Charles and Brownell Hilger. *Please see the attached Resolution and Staff Memo for further information.*

D. Resolution: Economic Development Revolving Loan Fund – 2nd St. Depot

2nd Street Depot has submitted a request for a \$50,000 loan from the Economic Development Revolving Loan Fund to assist with exterior repairs (stucco, parking lot concrete & asphalt, roofing), interior renovations and improvements (electrical, flooring, drywall, the addition of a banquet room) for property located at 320 2nd St E. Total renovation costs are estimated at \$100,000. Total project cost, including building acquisition and renovations, is estimated at \$325,000.

ACTION – Adopt Resolution 2017-05 – Approving a \$50,000 Economic Development Revolving Loan Fund for renovations and improvement made at 320 2nd St E for the 2nd Street Depot. *Please see the attached Resolution and Staff Memo for further information.*

E. Approve SAC & WAC Deferral Program

In order to minimize the impact of the Sewer Availability Charge (SAC) and Water Availability Charge (WAC) to businesses within the City of Hastings, the City has provided a deferral option to pay SAC and WAC fees over time, instead of an upfront payment due at the time of building permit issuance. This program is in addition to the Metropolitan Council's SAC Deferral Program, adopted in April 2017. The Met Council SAC Deferral Program, which is targeted to small businesses (under 25 SAC units), is a means of assistance in paying Metropolitan Council SAC charges and allows a portion, up to 80%, of SAC to be paid over a period not to exceed ten years. If eligible, businesses and/or property owners have the option to utilize the Metropolitan Council SAC Deferral Program, the City of Hastings SAC & WAC Deferral Program, or both.

To better align with the Met Council SAC Deferral Program, we have updated the City of Hastings SAC & WAC Deferral Program. Changes include:

1. Opening up the program to new construction/undeveloped properties, as well as maintaining eligibility for rehabilitation, demolition/reconstruction.
 - a. Allowing this program to be utilized for new construction/undeveloped properties could be a significant means of assistance for those businesses outside our community, looking to locate in Hastings.
 - b. Opening up eligibility guidelines will also parallel Met Council's program – simplifying and better aligning both programs.
2. Simplifying the interest rate determination by aligning it with the 10 year Treasury Rate.

For further explanation of the program(s), please see Program Information, Guidelines and Application Instructions attached.

ACTION – Approve SAC & WAC Payment Deferral Program. *Please see the attached Deferral Guidelines for further information.*

V. REPORTS AND INFORMATION

A. Vermillion Corridor Plan

Vermillion Street Corridor Plans are underway! In an effort to build the Vermillion Street Corridor Advisory Coalition, we have sent out a Summary and Interest Form to residents and business owners along and/or adjacent to Vermillion Street.

The Coalition will be responsible for guiding and overseeing the drafting of various elements of the Vermillion Street Corridor Plan. In order to provide a consistent and representative community voice, our goal is to formulate a Coalition consisting of individuals representing a variety of organizations, businesses and interests. The Coalition will work with City staff and the consulting team to oversee the roughly twelve-month planning process.

We have tentatively scheduled the Vermillion Street Corridor Advisory Coalition Kick-off Meeting for Monday, June 26. *Please see the attached Coalition Interest Form for further information.*

B. ULI Visit

We have set a date for the ULI Workshop, which is planned for July 19 from 6:30-8:30pm. This two-hour workshop will include a panel of policy leaders and real estate professionals that will provide an engaging and information discussion on market trends and how they relate to the Hastings community.

We will be reaching out to panelists to confirm availability and will provide updates as soon as we have those confirmations.

C. Shovel Ready Designation – Hastings Business and Industrial Park

As part of the Site Certification process, Xcel Energy and MN DEED met with Economic Development Staff for an Industrial Park site visit on May 17th. Both Xcel Energy and MN DEED had positive reactions towards the site and were impressed with the site's potential.

We are continuing to move forward in the process towards a completed survey and environmental review.

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** – Exterior soil work has been completed.
 - **Interior Floor Removals** – 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.
 - **Interior Soil & Debris Removal** – Contract to be awarded by HEDRA on June 1st with work completed by June 23rd.
 - **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** – Environmental Documents have been submitted to MPCA for final approval.
 - **Grant Award** – The City has been awarded an additional \$250,000 from Dakota CDA to assist with environmental cleanup. Funds can be used upon transfer of the property.
- **Amendment to Purchase and Development Agreement** – Both HEDRA and City Council have authorized an amendment to the purchase and development agreement.
- **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 June, 2017	Available May, 2017	Net Change
Downtown	9	9	0
Highway 55	11	11	0
Vermillion Street	18	18	0
Industrial Park	3	3	0
TOTAL	41	41	0

ATTACHMENTS

- HEDRA Minutes – April 13, 2017
- HEDRA Bills – April\May, 2017
- Contract Documents – Hudson Manufacturing Debris Removal Bid
- Residential Rehab Loan Guidelines
- Resolution – Residential Rehab Loan – Hilger
- Resolution – Economic Development Revolving Loan Fund – 2nd Street Depot
- SAC & WAC Deferral Program Guidelines
- Vermillion Corridor Coalition Interest Form
- CBRE Commercial Real Estate Update