



Planning Commission Memorandum

To: Planning Commission

From: John Hinzman, Community Development Director

Date: October 23, 2017

Item: Confluence Development – #2017-45 – Amendment to Final Plat – Great Rivers Landing (Hudson Building) – 200 West 2nd Street.

PLANNING COMMISSION ACTION REQUESTED

Review the amended Final Plat of Great River Landing, a 4 lot plat encompassing the redevelopment of the former Hudson Manufacturing Facility located at 200 West 2nd Street into housing and commercial uses. The City Council approved the original proposed plat as a one lot subdivision on November 16, 2015.

The revised Final Plat is necessary to allow for transfer of the building. **Remaining development items including a revised Site Plan for the Hudson Facility and the proposed parking ramp would be reviewed at a later date.**

HISTORY

Redevelopment of the Hudson Site has been a long term objective.

- **Reshaping the Mississippi Riverfront** - Over the past 30 years, the City of Hastings has prioritized the removal of industrial activities from the downtown riverfront. The 2003 Heart of Hastings Plan further detailed redevelopment aspirations of the Hudson Site, calling for rehabilitation of the historic portions of the building for a mixed residential commercial development.
- **Hastings Bridge Project** - Partial acquisition and demolition of the property as part of the TH 61 Mississippi River Bridge Project significantly altered Hudson's ability to continue operations at its current site. MN DOT funding for partial purchase and Hudson's desire to relocate its operations provided a unique opportunity to purchase the site for redevelopment.
- **HEDRA Purchase of the Hudson Site** - The Hastings Economic Development and Redevelopment Authority (HEDRA) purchased the site in December, 2010 for \$3.0 million. \$2.855 million was financed through limited tax obligation bonds paid through HEDRA's annual levy. A \$250,000 Redevelopment Incentive Grant (RIG) from the

Dakota County Community Development Agency (CDA) also assisted in purchasing the building.

- **Reuse Study – Preserve as a Mixed Use Development** - Upon purchase of the building, the City and HEDRA further studied potential redevelopment options for the building. As part of historic mitigation for the bridge project, MN DOT funded a reuse study of the Hudson Building. Stark Preservation Planning completed the report in 2011 and recommended rehabilitation of all areas of the building constructed before 1945. Findings of the reuse study were consistent with the overwhelming response by citizens and neighbors to preserve and reuse the building as a mixed use facility.
- **Environmental Investigation and Cleanup** – Phase I and II Environmental Reviews have been completed. The Minnesota Pollution Control Agency (MPCA) has approved our Response Action Plan (RAP) for environmental cleanup. Contaminated soils and asbestos have been removed.
- **Over \$4.6 Million in Grant Funding Received to Date** – The City has received 19 grants totaling \$4.6 million to assist in site acquisition, environmental review, environmental cleanup, planning, and site development.

Please see the attached Hudson Redevelopment Timeframe for further information.

Confluence Development

Beginning in 2012, HEDRA reviewed several concepts for redevelopment from a variety of development firms. Confluence Development, LLC a partnership between Pat Reagan (Hastings Bus Company, Premier Banks, and Schoolhouse Square) and Bill Weyland of Louisville, Kentucky based City Properties\Weyland Ventures (developer of many historic mixed use projects in Louisville) was chosen as the preferred developer. Confluence was chosen based upon its extensive historical rehabilitation experience, riverfront development successes, and concept for a mixed use development.

Modifications to the Development

HEDRA and Confluence entered into a Purchase and Development Agreement for the site in January 2016. Since signature of the agreement, the City and Confluence have been working towards transfer of the property including:

- Completed environmental remediation of:
 - Exterior contaminated soils
 - Removal of first floor non-bearing walls.
 - Contaminated flooring over crawl space areas
 - Removal of interior contaminated soils and debris within crawl space areas.
- Modified the landscape plan per direction of the State Historic Preservation Office.
- Relocated the planned parking structure from the northeast corner of 2nd Street and Lock and Dam Road to the First National Bank Site.
- Addition of 60 room hotel and reduction in apartment units.

DEVELOPMENT PLAN

Great Rivers Landing Development – Hudson Manufacturing

Confluence Development proposes to rehabilitate the remaining 100,000 s.f. Hudson facility into Great River Landing, a mixed use rehabilitation of the remaining Hudson Building to consist of:

- Approximately 60 hotel units
- 15-20 apartment units
- Retail
- Restaurant
- Events Space

1st National Bank – Parking Ramp

Confluence has purchased the former 1st National Bank Building located at 119 2nd Street West (across 2nd Street from Hudson) and plans to construct a 119 stall parking ramp accessible to the public. The City received a \$1,485,000 Livable Communities Demonstration Account (LCDA) grant from Metropolitan Council to assist in development.

Transfer of Property to Confluence

The City and Confluence are working towards a transfer of the property in the near future. Remaining City actions include:

ITEMS PRIOR TO CLOSING	
Revised Final Plat	Planning Commission – October 23 Dakota Plat Commission – October 30 City Council – November 6
Parking Ramp Use Agreement	HEDRA – November 9 City Council – November 20
Amended Purchase and Development Agreement	HEDRA – November 9 City Council – November 20
Reauthorization of 2015 approvals for Site Plan, SUP First Floor Residential, Shoreland Ordinance SUPs	City Council – November 20
Authorization to Execute Closing Documents	HEDRA – November 9 City Council – November 20
ITEMS AFTER CLOSING	
Site Plan – Parking Ramp	Planning Commission HEDRA City Council
Revised Site Plan – Hudson Site <ul style="list-style-type: none"> • Landscape Plan • Parking Plan • Civil Engineering 	Planning Commission Park and Recreation Commission HEDRA City Council

BACKGROUND

Existing Condition

The 3.8 acre site consists of seven parcels owned by the HEDRA containing a 100,000 s.f. two story manufacturing building formerly owned and operated by Hudson Manufacturing. The existing building was constructed in a series of phases between 1909 and 1945. The site is eligible for placement on the Historic Register. Site designation is planned as part of the development. The Mississippi River Trail traverses the property's north end.

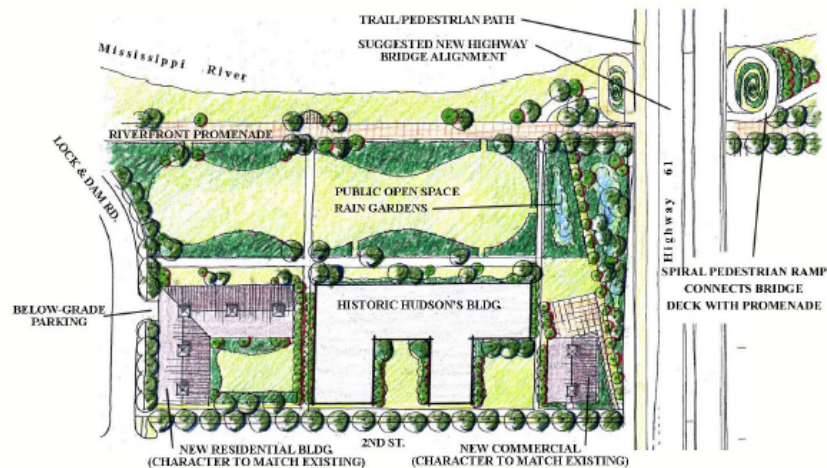
Comprehensive Plan Classification

The site is designated as "Mixed Use" in the 2030 Hastings Comprehensive Plan. Site development is consistent with the Plan.

Heart of Hastings Downtown Plan

Development is consistent with the Heart of Hastings Downtown Plan. The Plan provides the following guidance for development:

- **Maintain Dialogue with Hudson concerning relocation and reuse.** The City desires the eventual relocation of the current Hudson and reuse of the facility.
- **Use future bridge replacement as a catalyst for redevelopment.** Bridge construction will impact Hudson and First National Bank; coordinate with current property owners for relocation and redevelopment.
- **Adaptively reuse the Hudson Manufacturing Site.** Preserve the historic Hudson buildings for adaptive reuse.
- **Redevelopment of the Hudson property will likely require financial participation.** The building will require substantial renovation to meet codes for other uses. These conditions should allow a redevelopment TIF district to be established.



The Hudson Manufacturing property provides the combination of historic buildings and a prime location. Rehabilitation and reuse of the facility should be linked with Hudson's desire to relocate. The concept for the property could include reused historic buildings, expanded riverfront open space and new building additions in the historic character.

Zoning Classification

The site is zoned DC – Downtown Core. The DC district allows for a mixture of both residential and commercial uses.

Adjacent Zoning and Land Use

The following land uses about the site

	Existing Use	Zoning	Comprehensive Plan
North	Mississippi River		
East	TH 61 Bridge Lock and Dam Restaurant	C-3 Community Regional Commerce	Mixed Use
South	2 nd Street W 1 st National Bank Residences	C-3 Community Regional Commerce R-2 Medium Density Residence	Mixed Use Low Density Resident.
West	Lock and Dam Road Residences	R-2 Medium Density Residence	Low Density Resident.

FINAL PLAT REVIEW

Request

Revised Final Plat approval of GREAT RIVERS LANDING, A replatting of Blocks 5 and 6 TOWN OF HASTINGS, into 4 lots and, one outlot for park dedication. Revised changes include:

- Subdivision of property into 4 lots to separate the building from adjacent open space areas.
- Reduction in the park land dedicated along the river as Outlot A. Reduction in public park land removes encroachments of Confluence’s planned private improvements on public land. The area would be subject to a public use agreement allowing for public use of the private facilities; the public would have access to the private facilities, but would not have any maintenance obligations.

Streets

No new public streets are included as part of this plat. All access drives would be privately owned and maintained.

Easements

A ten foot drainage and utility easement must be established along the perimeter of the lot.

Park Land Dedication

The Park and Recreation Commission recommended the following action at the October 13, 2015 meeting:

Dedication of park land along the Mississippi River and recording of a public use agreement for use of private facilities located north of the Hudson Building.

Interceptor Sewer Fee

Payment of sewer interceptor sewer fees are not applicable on a replat of property.

External Vehicular Access and Circulation

- **Lock and Dam Road** – The existing entrance from Lock and Dam Road would remain and is acceptable.
- **2nd Street Courtyard.** The existing parking lot entrance from 2nd street to the center court area would be removed and replaced with a private park.
- **2nd Street Parking Lot** – A new parking and dropoff area for the restaurant and event center is proposed from 2nd Street near the southeast corner of the building. The entrance is acceptable to City Staff with the following modification
 - 1) Replace the bumpout curb at the proposed 2nd Street parking lot entrance with striping.
 - 2) The proposed 2nd Street crosswalk must be approved by Dakota County and should be relocated further west, closer to Eddy Street.

Grading Drainage and Erosion Control

Grading Drainage and Erosion Control plans will be reviewed as part of the site plan.

Development Agreement

The City and developer shall enter into a Development Agreement as follows:

- 1) Execution of a Development Agreement to memorialize conditions of approval and to establish applicable escrow amounts to ensure completion of public improvements.

Minnesota Department of Transportation Review

The site abuts US Highway 61. Plans have been sent to the Minnesota Department of Transportation (MN DOT) for review. No comments have been received at this time.

Dakota County Plat Commission Review

The site abuts County Road 42. The Dakota County Plat Commission is scheduled to review the Plat on October 30th.

RECOMMENDATION

Approval of the revised Final Plat is recommended subject to the following conditions:

- 1) Conformance with the plans submitted with the Planning Commission Staff Report dated October 23, 2017.
- 2) All disturbed areas on the property shall be stabilized with rooting vegetative cover to eliminate erosion control problems.
- 3) Dedication of park land along the Mississippi River and recording of a public use agreement for use of private facilities located north of the Hudson Building.
- 4) Replace the bumpout curb at the proposed 2nd Street parking lot entrance with striping.
- 5) The proposed 2nd Street crosswalk must be approved by Dakota County and should be relocated further west, closer to Eddy Street.
- 6) Execution of a Development Agreement to memorialize conditions of approval and to establish applicable escrow amounts to ensure completion of public improvements.
- 7) Approval by the Dakota County Plat Commission
- 8) Approval by the Minnesota Department of Transportation.
- 9) Approval is subject to a one year Sunset Clause; the plat must be recorded with Dakota County within one year of City Council approval or approval is null and void.

ATTACHMENTS

- Location Map
- Final Plat
- Hudson Redevelopment Time Frame

LOCATION MAP



GREAT RIVERS LANDING

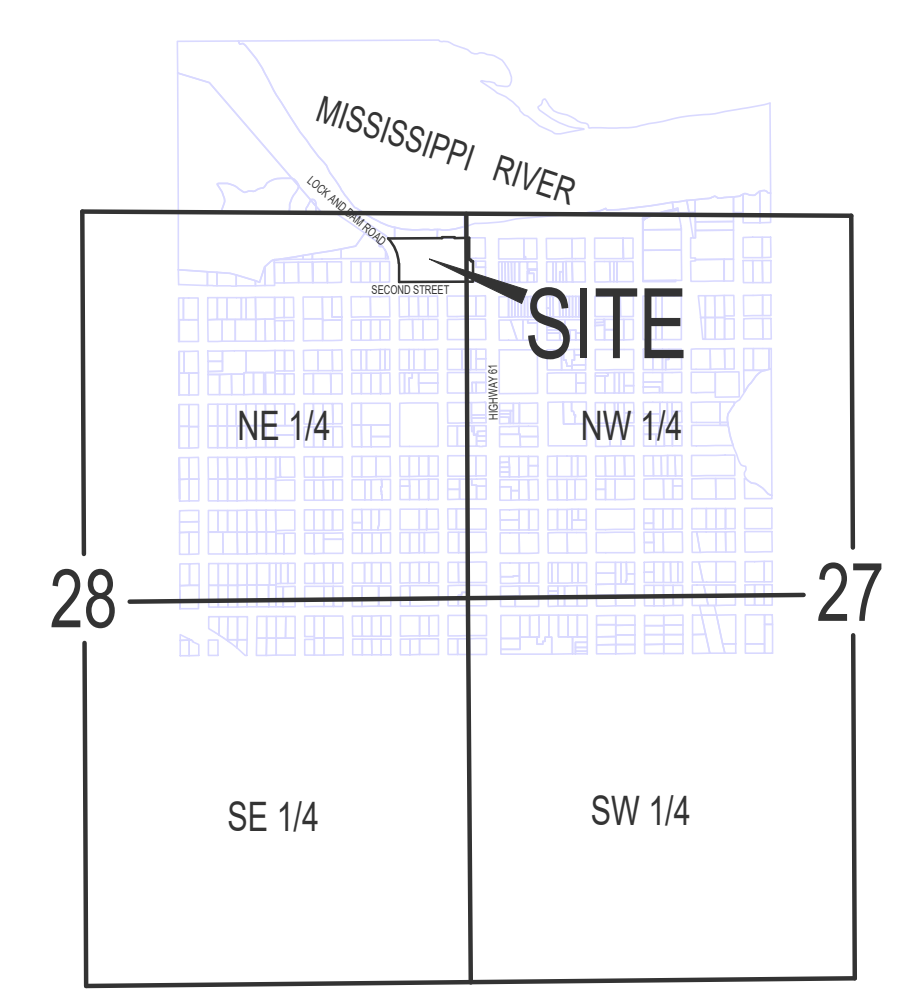
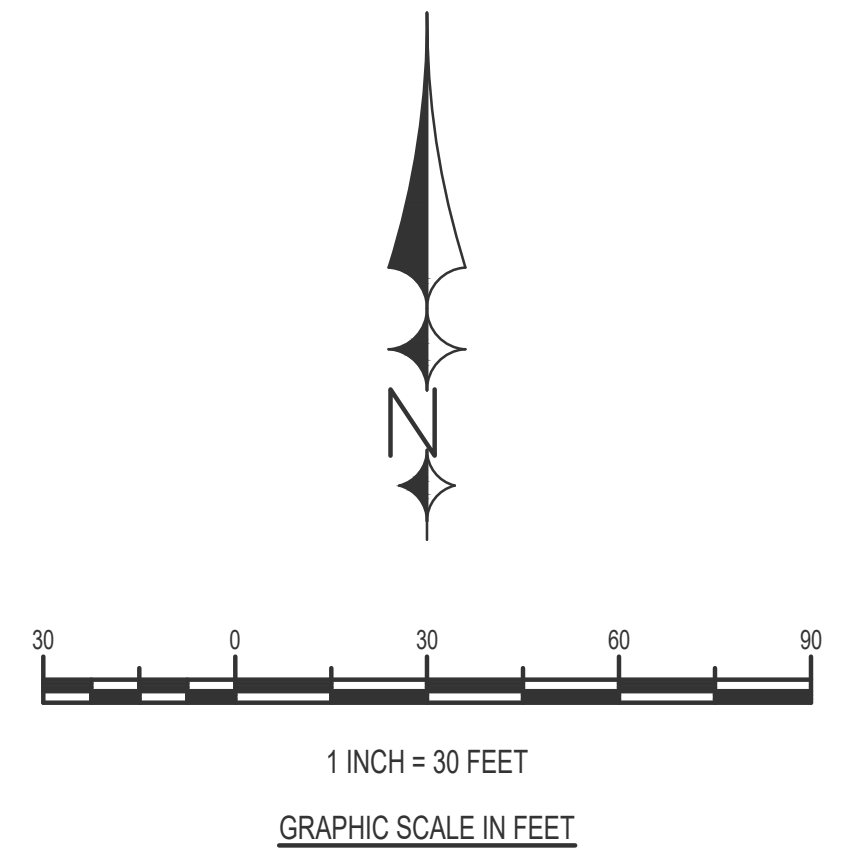
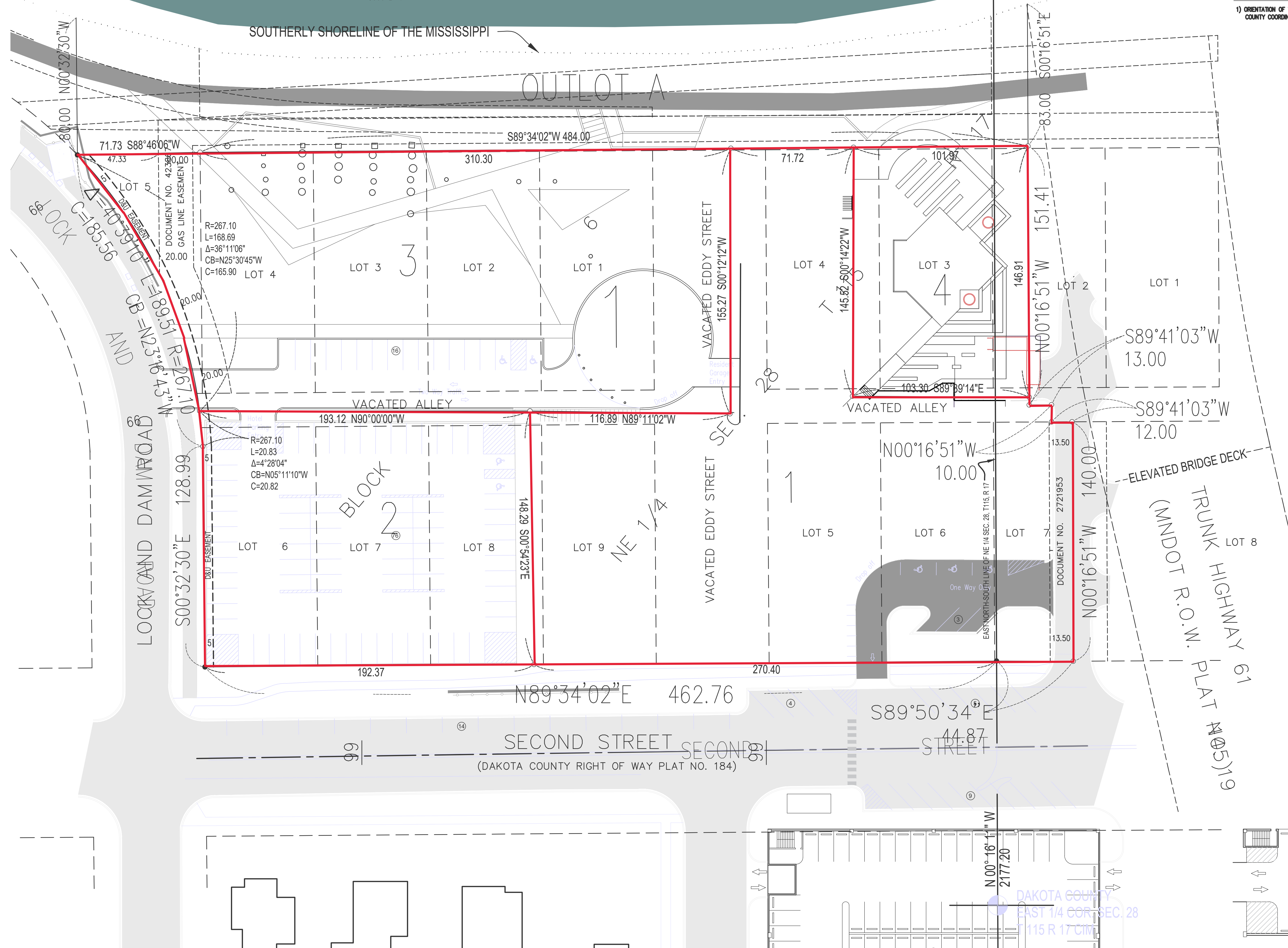
MISSISSIPPI RIVER

LEGEND

- DENOTES SET 1/4 INCH BY 16 INCH IRON PIPE MONUMENT INScribed "LUNDQUIST LS #52146", UNLESS SHOWN OTHERWISE
- DENOTES FOUND MONUMENT, SIZE AND MARKINGS AS INDICATED

NOTES

- 1) ORIENTATION OF THIS BEARING SYSTEM IS BASED ON THE DAKOTA COUNTY COORDINATE SYSTEM (MAD 83).



Site Location Map
Section(s) 27 and 28, T115, R17
Dakota County, Minnesota
(NOT TO SCALE)

DAKOTA COUNTY
EAST 1/4 COR. SEC. 28
T115 R 17 C1M

**Great River Landing - Hudson Manufacturing
Historic Redevelopment Timeline**

1884-1909	Pre Hudson Manufacturing	Prior to the establishment of the H. D. Hudson operation in 1909, the parcels comprising the facility included a woodworks factor, a hotel, a farm implement company, and grain warehouses and elevators.
1909-1913	Brandt Manufacturing – Original Building	H.D. Hudson has been in operation at their current site since 1909. The original operation known as Brandt Manufacturing relocated from Chisago City, Minnesota produced small compression sprayers for agricultural pest control.
1913-1914	Building Fire, Reconstruction, and Growth	The original building was entirely destroyed by a fire in 1913. A two story 7,200 s.f. warehouse and office building was rebuilt in 1914. The company continued to grow through acquisitions. In 1914 it merged with Hudson and Thurber Company of Chicago.
1920	Warehouse Addition	In 1927 a 29,700 s.f. warehouse addition was added. This completed the historic “F” shaped portion of the building.
1946	Warehouse Addition	In 1946 a 28,800 s.f. warehouse addition was added.
1966	Warehouse Addition	In 1966 a one story 20,280 s.f. warehouse was added.
1974	Warehouse Addition	In 1974 a 48,000 one story warehouse was added.
2003	Heart of Hastings Plan	City Council adoption of the Heart of Hastings Master Plan identifying reuse of the Hudson Manufacturing Building as a mixed use development
2009	Hastings Bridge Project Planning affects operations	Reconstruction of the TH 61 Mississippi River Bridge requires acquisition of a portion of the Hudson Building. Additional space is needed to preserve operations.
2010	Intek Building Available	Intek Manufacturing consolidates operations in Hastings. The 800 East 10 th Street building is available for sale. The building is suitable for a relocation of Hudson’s operations.
February 2010	\$250,000 Grant Award – Dakota CDA	City receives a Redevelopment Incentive Grant (RIG) for purchase of the Hudson Building
Spring 2010	HEDRA-Hudson-Intek Negotiations	HEDRA, Hudson, and Intek discuss sale of the Intek Building to Hudson, and sale of the Hudson Building to HEDRA.
August 2010	Completion of Phase I Environmental Site Assessment	Liesch completes Phase I analysis of environmental contaminants.
December 2010	Hudson Purchases Intek Building	Hudson purchases the former Intek Building at 800 East 10 th Street.
December 2010	HEDRA purchases Hudson Building	HEDRA purchases the Hudson Manufacturing building at 200 West 2 nd Street for \$3.0 million dollars.
February - December	Hudson Reuse Study	Stark Preservation Planning completes a reuse study for the building. The study included open houses and

2011		community input. Demolition of the 1974 addition is recommended with reuse of the remaining structure as a mixed use development. Cost of the study is fully paid by MN DOT
June 2011	\$145,000 Grant Award – Dakota CDA	City receives RIG Funding for partial demolition of the 1974 addition and environmental cleanup.
July 2011	\$50,000 Grant Award – Metropolitan Council	City receives Tax Base Revitalization Account (TBRA) funding for environmental cleanup
July 2011	Hudson Fully Vacates Structure	Hudson Manufacture completes their move to 800 East 10 th Street. Building becomes vacant.
August 2011	\$51,754 Grant Award – EPA – Dakota County	City received a Brownfield Assessment – Hazardous Substance Grant through Dakota County for environmental cleanup
April 2012	\$110,125 Grant Award – Dakota CDA	City receives RIG funding for demolition of the 1974 addition and environmental cleanup
April 2012	\$2,500 Grant Award – Dakota CDA	City receives RIG Planning funding for completion of a market study
April 2012	Completion of Phase II Environmental Site Assessment	Stantec completes Phase II analysis of environmental contaminants.
May 2012	\$18,618 Grant Award EPA – Dakota County	City received a Brownfield Assessment – Petroleum Grant through Dakota County for environmental cleanup
May 2012	Approval to Demolish 1974 Addition	City and HEDRA approve demolition of the 48,000 s.f. concrete tip-up addition consistent with the reuse plan.
September 2012	Initial Market Assessment	Maxfield Research completes an Initial Market Assessment for Redevelopment. Development of a mix of housing, retail, office and civic uses is supported. Fully paid through grant funding.
December 2012	Developer Roundtable	City and HEDRA conduct a roundtable with selected developers to determine interest in redeveloping the site.
March – October 2013	Developer Concepts	HEDRA review of redevelopment concepts by The Beard Group, Sherman and Associates, Artspace, and Confluence Development
March 2013	Rezoning of Property	Property is rezoned from I-1 Industrial to DC – Downtown Core
May 2013	\$238,865 Grant Award – Dakota CDA	City receives RIG funding for environmental cleanup.
May 2013	\$4,200 Grant Award – Dakota CDA	City receives RIG Planning funding to conduct a full market study
October 2013	Demolition of 1974 Addition	Rachel Contracting completes demolition of the 48,000 s.f. addition. The total cost of \$200,000 was fully paid through grant funding.
November 2013	Approval of Response Action Plan (RAP)	MPCA approval of the RAP cleanup plan for hazardous materials based on Phase II assessment.
December 2013	Selection of Confluence Development	HEDRA selects Confluence Development to redevelop the Hudson site. Confluence proposes to two options for reuse of the building. Option 1 includes for residential,

		restaurant, banquet, art, retail space, and rooftop use of the 1945 addition. Option 2 includes all of option one, except a hotel in lieu of a portion of the housing.
January 2014	Signature of Preliminary Development Agreement	HEDRA Authorizes signature of the agreement with Confluence Development.
June 2014	\$93,400 Grant Award – Metropolitan Council	City receives TBRA funding for asbestos and hazardous material removal.
October 2014	\$2,844 Grant Award – US EPA – Dakota County	City receives EPA Environmental Investigation funding via Dakota County for an invasive asbestos survey.
October – December 2014	Contaminated Soil Removal	Rachel Contracting completes contaminated soil excavation and removal from Areas 1 and 3 of the RAP. Total cost of \$78,000 is fully paid through grant funding.
November 2014	Completion of Full Market Study	Completion of Full Market Study by Maxfield and HVS. Funded through grant dollars.
December 2014	Hotel Concept Eliminated	Confluence Development eliminates the hotel concept from the approval. All other mixed use items remain.
December 2014	Extension of Preliminary Development Agreement	HEDRA agrees to extend the Preliminary Development Agreement until March 31, 2015.
December 2014	\$256,142 Grant Award – MN DEED	City receives a Contamination Cleanup Grant for soil and vapor remediation
January 2015	\$980,000 Grant Award – Metropolitan Council	City receives Livable Communities Demonstration Account (LCDA) funding for riverfront and site amenities
January 2015	\$78,000 Grant Award – Metropolitan Council	City receives TBRA funding for asbestos and hazardous material removal.
January – May 2015	Confluence Development Activities	Confluence hires an architect and engineer to complete project plans and continues to meet with interested commercial users
February 2015	Part 1 Historic Preservation Application	The National Park Service accepts the Part 1 application of Historic Tax Credit eligibility.
March 2015	Purchase of 1 st National Bank for Phase II	Confluence Development closes on the adjoining 0.63 acre 1 st National Bank Property for inclusion as Phase II of Great River Landing.
March 2015	Extension of Preliminary Development Agreement	HEDRA agrees to extend the Preliminary Development Agreement until June 30, 2015.
May 2015	Abatement of Asbestos and Hazardous Materials	Mavo Contracting completes removal of asbestos and hazardous materials with all costs paid through grant funding.
May 2015	Confluence Development Proforma	Development proforma is complete for City and HEDRA review
May 2015	Preliminary Grant Application submitted – LCDA	\$1.5 million dollars in grant funding submitted to Metropolitan Council for construction of structured parking.
May 2015	\$600,000 Grant Award – US EPA	City receives three \$200,000 Brownfield Cleanup Grants for soil and vapor remediation
June 2015	Agreement of Terms of Sale & Use of TIF	City Council and HEDRA conduct a joint meeting and agree to sell the property to Confluence for one dollar and retain all TIF proceeds from the site.

June 2015	Extension of Preliminary Development Agreement	HEDRA agrees to extend the Preliminary Development Agreement until July 31, 2015.
August 2015	Approval of Environmental Services Contract	HEDRA approved the continuation of an Environmental Services Contract with Stantec Consulting.
October 2015	Establishment of a TIF District	HEDRA and City approved a Tax Increment Finance District to assist in site redevelopment
October 2015	\$600,000 Grant Award – US EPA	City received three \$200,000 grants for environmental cleanup.
November 2015	Approval of Land Use Application for Site Development	City Council granted plat, site plan, and special use permit approvals for the construction of Great River Landing.
December 2015	Execute a Purchase and Development Agreement	HEDRA and City executed a Purchase and Development Agreement for sale of the property to Confluence Development.
December 2015	\$1.5 Grant Award – Metropolitan Council	City received a Livable Communities Demonstration Account (LCDA) funding for construction of a parking ramp at Great River Landing.
January 2016	Removal of Underground Storage Tanks	Rachel Contracting completed removal of two underground storage tanks from the site.
February 2016	Approval of a Remedial Soil Contract – Exterior	HEDRA approved a Remedial Soil Contract to remove remaining exterior soil to Frattalone Excavating
May 2016	Rejection of Bids – Interior Contaminated Soil Removal	HEDRA rejected the bids due to exceeding the engineer's estimate. Contractors cited difficulty to assess methods and cost of remediation due to the floor.
June 2016	EPA Approval of Section 106 Review	EPA found the environmental impacts will not pose an adverse effect on cultural resources.
August 2016	Advertisement of Interior Floor Removal Contract	Contract advertised, no bids were received.
November 2016	SHPO Conditional No Adverse Effect Letter	Letter issued by SHPO to allow for EPA approval to proceed with remediation.
December 2016	Awarding of Interior Floor Removal Contract	HEDRA awarded the Interior Floor Removal Contract to Frattalone Excavating contingent on EPA approval to use grant funds.
March 2017	Demolition of Interior Walls and Offices	Confluence completed demolition of interior office spaces to allow for removal of flooring above crawlspace areas
March 2017	Removal of Interior Flooring	Interior flooring above crawlspace areas removed by Frattalone
April 2017	Removal of Exterior Contaminated Soil	Contaminated soils removed by Frattalone
May 2017	\$250,000 Grant Award – Dakota CDA RIG	City received Dakota County Community Development Agency Redevelopment Incentive Grant funding for environmental cleanup
June 2017	Awarding of Interior Contaminated Soil Contract	HEDRA awarded the Interior Contaminated Soil Contract to Ram Excavating

July 2017	Joint City Council\HEDRA Meeting	The City Council and HEDRA held a meeting on site with Confluence Development to review proposed changes to site landscaping and relocation of the parking structure to the 1 st National Bank Site
July 2017	Amendment to LCDA Grants	The City Council and HEDRA approved the submittal of an Amendment to the existing \$2.5 million dollars in LCDA grant funding for site landscaping and relocation of the parking structure to the 1 st National Bank Site
August 2017	Awarding of Vapor Intrusion Mitigation System Contract	HEDRA authorized award of the Vapor Intrusion Mitigation System contract to CleanVapor
August 2017	Removal of Interior Contaminated Soil	Ram Excavating completed removal of interior contaminated soil from the building interior
September 2017	Modification of Vapor Intrusion Mitigation System Contract	The City and Confluence Development met with Clean Vapor to review changes to the contract upon final removal of interior soils