

HEDRA
HASTINGS ECONOMIC DEVELOPMENT and
REDEVELOPMENT AUTHORITY
Hastings City Council Chambers
Minutes of November 21, 2017, 6:30 Regular Meeting

HEDRA Commissioners Present: Denning, Sinclair, Balsanek (6:35pm), and Vaughan

HEDRA Commissioners Absent: Peine, Toppin, and Sullivan

Staff Present: Community Development Director John Hinzman
Economic Development Coordinator Morgan Hill

I. Quorum

The meeting was called to order at 6:30pm by Vice President Denning with three members present. Since a quorum was not established, Director Hinzman provided a summary of the Hudson Redevelopment Project.

Commissioner Balsanek arrived at 6:35 PM and a quorum was established.

II. Minutes

Commissioner Vaughan motioned to approve the minutes from the regular meeting of September 14, 2017 as presented, seconded by Commissioner Sinclair. Motion approved 4-0.

III. Bills

Director Hinzman summarized the bills for soil removal and a couple of loan disbursements.

Commissioner Vaughan motioned to approve the bills as presented, seconded by Commissioner Balsanek. Motion approved 4-0.

IV. Business

A. Resolution: Economic Development Revolving Loan Fund – Spiral Brewery (111 East 2nd Street)

Coordinator Hill provided a summary of the \$48,800 revolving loan fund request for stairs and a dog house to access the roof. Proposed improvements are eligible for the loan program. Long term Spiral wants a rooftop patio.

Commissioner Vaughan when does loan have to be used by and how does it work?

Coordinator Hill stated the loan works as a line of credit, they would bring receipts and be reimbursed from the loan up to \$48,800.

Commissioner Sinclair motioned to approve Economic Development Revolving Loan Fund – Spiral Brewery (111 East 2nd Street) as presented by staff, seconded by Commissioner Balsanek. Motion approved 4-0.

B. Authorize Contract for Services – Shovel Ready Certification – Hastings Industrial Park

Coordinator Hill presented the staff report and recommendation to award the contract to the low bidder, Terracon.

Commissioner Vaughan asked what the purpose is of taking on these expenses versus letting developers take on these costs.

Coordinator Hill replied it is to better prepare the property for marketing and development. Developers would likely do a more intensive environmental review but wouldn't have to if they came into the property within a year.

Commissioner Vaughan asked if a developer does not come forward for 10 years for example, would we have to do this all again.

Coordinator Hill replied that they shouldn't need to, the developer would likely do a more intensive assessment anyway but this information is meant to be at the ready for developers as baseline information. The shovel ready designation does not require recertification of any kind.

Commissioner Sinclair asked if this is for marketing the property.

Coordinator Hill replied it helps take away those unanswered questions that make developers a little hesitant to jump on a property. MN DEED and Xcel would become marketing partners and advertise these shovel ready properties all around the country. Completion of the certification provides for enhanced readiness for development.

Commissioner Sinclair motioned to approve the contract, seconded by Commissioner Vaughan. Motion approved 4-0.

C. Authorize Payment of Special Assessments – UBC Buildings

Director Hinzman presented the staff report. HEDRA is the current owner of UBC property at 4th and Tyler and as such assessments for street improvements are the responsibility of HEDRA.

Commissioner Sinclair asked if the City would be essentially paying this money to itself.

Director Hinzman replied that HEDRA is technically a separate entity so the money can't be transferred across funds as though it were another City fund.

Commissioner Balsanek motioned to approve payment, seconded by Commissioner Sinclair. Motion approved 4-0.

D. Authorize Change Order and Payment – Interior Soil Removal – RAM Excavating.

Director Hinzman presented the staff report. HEDRA contracted with RAM Excavating to perform removal of interior contaminated soil and debris from crawl space areas of the Hudson facility. The work involved vacuuming material and did not contemplate considerable manual excavation of debris. Soon after commencement of work in June, 2017 RAM encountered substantially more debris than was originally anticipated, leading to additional time and cost for completion of the project. The estimated three week time frame for the project exceeded seven weeks and involved more manual labor to remove crawl space debris. Staff acknowledged the change in conditions during on-site inspections with RAM, however the extent to which additional cost and labor would be necessary was not clearly understood. The proposed payment of \$158,373.25 represents the final payment for the project.

Commissioner Vaughan motioned to approve change order and payment, seconded by Commissioner Balsanek. Motion approved 4-0.

V. Reports and Information

A. Hudson Development

Director Hinzman updated the Commission on the status of the Hudson Manufacturing building. Staff is working towards having final agreements for property transfer before HEDRA in December.

B. Vermillion Corridor Plan

Coordinator Hill provided an update to the Commission.

The consultants are preparing a summary of meetings with stakeholders, residents, business owners. A draft of the report should be available later in the month. A community meeting open to residents and business owners, is tentatively scheduled for early 2018.

C. Commercial Real Estate

Director Hinzman stated there has not been too much activity. Existing contract with CBRE ended in October, staff opted not to extend and will be looking at options for other real estate marketing.

Commissioner Vaughan asked if this list included any contact that City staff has received or if it is just contacts made with CBRE. Director Hinzman replied the report only has contacts that have been with CBRE.

D. Commercial Vacancy

Director Hinzman stated there hasn't been a net increase or decrease in vacancy but there are a couple of things to note; sale has taken place Hastings Co-op Creamery purchased a vacant lot from Polka Dot Dairy for potential expansion. The Hudson Intek building at 800 E 10th St has been purchased with the intent to lease for co-working office/warehouse spaces. The Meyer Company Building is being rehabilitated into commercial and residential property. Eye Candy REfind is moving into the Emporium building. Target is closing in February, discussions have already begun on the future of that site.

E. Development Activity

Director Hinzman update the Commission on City Council's authorization of the sale of the lot on Highway 55 with construction scheduled in spring. The foundation of the Crossfit HSC building has been poured and construction is under way.

VI. Adjourn

Commissioner Vaughan motioned to adjourn the meeting at 7:30 PM, seconded by Commissioner Sinclair. Motion approved 4-0.

Next Meeting: December 14, 2017