

HEDRA
HASTINGS ECONOMIC DEVELOPMENT and
REDEVELOPMENT AUTHORITY
Hastings City Council Chambers
Minutes of December 13, 2018, 6:00 PM Regular Meeting

HEDRA Commissioners Present: Peine, Sinclair, Toppin, and Vaughan
HEDRA Commissioners Absent: Balsanek, Denning, and Sullivan
Staff Present: Community Development Director John Hinzman

I. Quorum

A quorum was established and the meeting was called to order by Vice President Sinclair at 6:30 PM with four members present.

II. Minutes

Commissioner Toppin motioned to approve the minutes from the regular meeting of October 11, 2018, as presented, seconded by Commissioner Vaughan. Motion approved 4-0.

III. Bills

Hinzman summarized the bills.

Commissioner Toppin motioned to approve as presented, seconded by Commissioner Vaughan. Motion approved 1-0.

IV. Business

A. Authorize Signature: Real Estate Option Agreement – Block 1 – Rungoli (Panache)

Hinzman provided a summary of the Real Estate Option Agreement between the City (HEDRA) and Rungoli, the Real Estate portion of Panache Cidery. Earlier this year, Panache submitted a letter of intent and placed \$1,000.00 in escrow for Block 1. It was decided that it was needed to have more than a letter of intent. This Real Estate Option Agreement would give Panache exclusive rights to the property until June 1, 2019. If a purchase agreement is not completed by this date, the agreement shall be null and void.

Commissioner Vaughan asked about the submitted for a grant to receive funding to be able to do the environmental cleanup of the land and the only way we could apply for this grant was Rungoli signed this agreement if the applicant

were to back out of this deal, would that affect the application for the grant. Hinzman stated the application for grant funding was submitted to receive \$225,000.00 and Hinzman received a response back. At this time, we did not receive the funding due to a high number of applicants during the application period and another application will be submitted in April.

Commissioner Sinclair wanted to know who will start the conversation about the purchase price and if there a recommend starting price. Hinzman stated that the City and Rungoli will begin the purchase price discussion and the assessed value of the property is slightly over \$7.00 per square foot, the appraised value is just over \$8.00 per square foot. Panache has inquired about purchasing the property for \$1.00, but that was declined.

Commissioner Toppin motioned to authorize signature as presented, seconded by Commissioner Peine. Motion approved 4-0.

Hinzman will be meeting with Panache on December 17, 2018.

B. Resolution: Authorize Economic Development Revolving Loan Fund Request – Spiral Brewery

Hinzman provided a summary of a revolving loan request in the amount of \$12,300.00 made by Spiral Brewery for installation of a cooler and storage space in an adjacent building. Spiral Brewery received a loan in 2017 to renovate the interior of the building and is in good standing on that loan. Staff is recommending approval of this loan request.

Commissioner Vaughan wanted to know if the loan is to the business or the building. Hinzman responded with these type of loans could be to the business or the building as a form of collateral or security and Spiral Brewery is leasing a portion of the building next to the brewery.

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

V. Reports and Information

A. Great River Landing

Building Plans have been submitted and are being reviewed by staff. The Landscape and Photometric Plans were approved by the Planning Commission and will now be reviewed at the City Council meeting on December 17th.

Commissioner Sinclair had concerns about the December 29th, 2019 completion due date being met with the delays that have occurred. Hinzman stated there is not as much concern about the December date.

B. Economic Development Services

Hinzman stated as discussed earlier this year, the City had a request for a proposal through a consulting company, after receiving three responses, it was decided to go through a consulting company was not the best for the City. The position was posted again and applications are due by January 13th, 2019.

C. Recognition of Artspace Hastings Lofts

Hinzman shared the Artspace Hastings was featured in Architect Minnesota and was a finalist for Rescape Community Impact award and was nominated by MN Brownfields.

D. Commercial Vacancy

Hinzman stated Lawrence Interiors is moving to the Mileage Gas Station on Hwy 55, this will cause a vacancy in downtown. There was a change of store at 113 2nd Street, Muse 2320 and the dentist office located at 214 2nd Street is for sale.

E. HEDRA Commissioner Vacancy

Hinzman shared there is a vacancy and applications are being taken to fill the vacancy.

F. Recognition of HEDRA Commissioner Pam Denning

Recognition of Commissioner Denning's 14 years of service.

VI. Adjourn

Commissioner Vaughan motioned to adjourn the meeting at 6:23 pm, seconded by Commissioner Toppin. Motion approved 4-0.

Next Meeting: January 10, 2019

Respectfully Submitted

Megan White