

HASTINGS AGENDA NOTES
February 11, 2021
6:00 PM

I. QUORUM

II. MINUTES

Please see the attached HEDRA Meeting minutes from the January 14th, 2021 regular meeting for your review and approval.

III. BILLS

January Bills

Rungoli LLC	\$1,000.00	Return of Option Payment
Econ Dev Assoc of MN	\$495.00	Admin - Membership - Hinzman and Maass
Econ Dev Assoc of MN	\$350.00	Admin - Winter Conference - Hinzman and Maass
Smartsheets	\$145.00	Admin - Software Purchase

** Reimbursable Expenses*

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

IV. BUSINESS

A. Land For A Dollar Program Update

Timing of Payment: Staff is seeking feedback from HEDRA on the structure of the Land For A Dollar. Most recently HEDRA sold 2.58 acres to Simply Secure Storage in November 2020. That land had a market value of \$173,072.59. The developer proposed to construct buildings with a value of at least \$1,210,500.000. That valuation created an estimated \$121,050.00 in building credit which resulted in a remaining land balance owed of \$52,022.59. That balance was made due upon transfer of the property in the terms of the development agreement. The development agreement stipulated that the building must be appraised for at least the estimated value within one year of the agreement.

Currently the Land For A Dollar program offers the option to pay \$1.00 upon transfer of the land with the developer then provided up to 5 years to officially calculate any building valuation credit and/or jobs credit. The Developer is required to consent that the remaining balance would be assessed against the property in the event that construction is not completed or the business fails.

Decision/Action: Should the program continue to allow for \$1.00 to be transferred at closing and a 5 year window for credit certification, or should the program follow the process of Simply Secure Storage that established the value of the construction credit at the time of development agreement with a

remaining balance then due at closing? Note: if recommending that the construction credit should be calculated at the time of development agreement it would not be possible to certify a jobs credit calculation as that would require at least 12 months of payroll following the opening of the new location.

Jobs Credit Calculation:

Currently the jobs credit is calculated based on a full-time job which pays \$13.00 an hour for an annual salary of \$27,000.00 which constitutes as 1 job equivalent. Each job equivalent is equal to \$5,400.00 in credit. The 2020 federal poverty line for a family of four was \$26,200. Staff is recommending that the formula for subsidy of jobs be updated to a level representing the 2018 Median Annual Wage in the City of Hastings of \$69,404 or \$33.00 an hour.

Decision/Action: Should staff update the jobs formula, keep the formula the same, or eliminate it as a credit option in favor of certifying a construction credit at the time of development agreement?

B. Approve Preliminary Land Credit Sale - Custom Sawdust

Please see the attached staff memo for further information.

C. Adopt Resolution #2021-03 Approving Exclusive Land Sale Negotiations of 101 E 4th Street with Mr. Luke Siewert through May 31, 2021

Please see the attached staff memo for further information.

V. REPORTS AND INFORMATION

A. SPADES Development

Staff continues to coordinate with Spades on a prospective purchase and development in the downtown behind the ArtSpace Apartments. At this time Staff and Spades are targeting a preliminary purchase and development agreement in 2021. Ray Menard will be available for any questions HEDRA may have.

B. Parklets

Staff presented an ordinance governing parklets to the City Council. The Ordinance had its first reading on February 1st and is scheduled for a public hearing at the City Council meeting on February 16th. On January 29th, staff distributed the draft ordinance to area businesses requesting feedback. Staff met individually with businesses on February 2nd and 4th to discuss the program and also attended the February 2nd Downtown Business Association meeting to provide a general update on parklets and gather feedback.

In addition to the ordinance, Staff has drafted a parklet grant program. Currently the first \$1,500.00 of parklet cost would be covered by HEDRA with any remaining costs being split between HEDRA and the business at a 75/25 split with HEDRA covering the larger percentage. The maximum grant award available would be \$5,000. Eligible costs would be hard costs only.

Staff has recommended the first \$1,500 in coverage to ensure that businesses currently suffering greater financial hardship have a lesser barrier to entry to establish a parklet.

Funding for this grant would come from the \$40,000 previously budgeted by HEDRA on parklets. As a result, this would be a one-time grant opportunity. Staff continues to mold the draft grant program based on feedback received as the parklet authorizing ordinance is considered by City Council.

Staff is seeking any feedback HEDRA has on the current parameters of the matching grant program.

C. Open To Business Report

Please see the attached 2020 Year End Open To Business Annual Report

D. COVID Business Support - Dakota County Grant

Dakota County has made available another round of Covid-19 business relief grants with funding from the State of Minnesota Legislature and Governor Walz. Grant funds total \$8.3 million dollars. This grant round has a focus on businesses which have not yet received any public assistance or assistance totaling less than \$15,000. Staff has assisted Dakota County in outreach to Hastings businesses to increase awareness of the grant opportunity.

E. Commercial Vacancy

	Available January 2021	Available February 2021	Net Change
Downtown	8	8	0
Highway 55	12	12	0
Vermillion Street	13	13	0
Industrial Park	4	4	0
TOTAL	37	37	0

F. Development Update

- **Schoolhouse Square Senior Housing** – Minnesota Housing Finance Agency approved bonding allocation to the Dakota County CDA to support the School House Square senior housing project. With this, the

developer is no longer needs requesting conduit financing by the City of Hastings.

- **The Confluence** – Exterior work continues with replacement of roofing and windows. Tuckpointing is continuing as weather allows. Staff walked through the building on January 27th to view progress to date.
- **Heritage (Sieben Ridge)** – 116 home sites, half villa homes, half traditional single family. Located west of General Sieben Drive and south of St. Elizabeth Ann Seton Church. First phase of nine lots under construction for the Spring Parade of Homes. City Staff is currently reviewing plans for the second phase of the development which consists of 30 homes.
- **Simply Secure Storage** – Chad Smurawa has submitted an application for Site Plan and Special Use Permit approvals for construction of his facility at 2030 Spiral Blvd. The Planning Commission will likely review on February 22nd with City Council review on March 1st.

VI. ADJOURN

ATTACHMENTS

- Minutes – January 14, 2021
- Bills – January 2021
- Staff Report - Preliminary Land Credit Sale for Custom Asphalt
- Resolution #2021-03 Approving Exclusive Land Sale Negotiations of 101 E 4th Street with Mr. Luke Siewert through May 31, 2021
- 2020 Year End Open To Business Annual Report

Next Meeting: March 11, 2021