

**HASTINGS ECONOMIC DEVELOPMENT & REDEVELOPMENT
AUTHORITY**

June 10, 2021 - 6:00 pm.

I. Quorum

II. Minutes

Please see the attached HEDRA Meeting minutes from the May 13, 2021 regular meeting for your review and approval.

III. Bills

May Bills

| | | |
|-----------------------|------------|---|
| Dakota CDA | \$4,500.00 | Open to Business Annual Fee |
| Nat'l Develop Council | \$1,100.00 | Conf & Schools - NDC Training |
| Schlomka | \$435.84 | COVID - Downtown Portable Toilet & Handwash |
| Emily's Bakery | \$96.84 | Admin - HEDRA Workshop - Box Lunches |
| Levander Gillen | \$57.50 | Legal - General HEDRA |
| Miller | | |

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

IV. Business

A. Public Hearing: Apartment Project – 3rd Street & Tyler

1. Public Hearing: Sale of Land
2. Resolution 2021-07: Approving Purchase and Development Contract between HEDRA and River City Investments, LLC.

Staff is addressing a procedural item with bringing the proposed resolution approving the proposed purchase and development contract as it was noted by HEDRA's legal team that a public hearing must be held prior to any land sale.

ACTION – Motion to adopt Resolution #2021-07 Approving Purchase and Development Contract between HEDRA and River City Investments, LLC.

B. Public Hearing: Quality One Woodworking Expansion

1. Public Hearing: Sale of Land
2. Resolution 2021-08: Approving Purchase and Development Contract between HEDRA and Quality One Woodwork, LLC.

Staff is addressing a procedural item with bringing the proposed resolution approving the proposed purchase and development contract as it was noted by HEDRA's legal team that a public hearing must be held prior to any

land sale.

ACTION – Motion to adopt Resolution #2021-08 Approving Purchase and Development Contract between HEDRA and Quality One Woodwork, LLC.

C. Outdoor Dining Grant - Extend application deadline to July 31st, 2021.

Staff continues to work with area businesses on grant applications. To date the City has approved and disbursed one grant award and City Staff has processed applications for an additional three grants. In conversation with business owners Staff is aware of a parklet being constructed that won't be ready until after July 1st with invoicing coming after that date which is prompting Staff's request for the deadline extension.

ACTION – Motion to extend the application deadline for outdoor dining grants to July 31st, 2021.

D. Strategic Plan - Action Steps

Following our April Workshop and May discussion, staff has developed the attached action steps for implementation of the HEDRA Strategic Plan. Please review the attached plan and in particular the following:

- **Strategic Actions** - Are proposed Strategic Actions consistent with the desires of the Board.
- **Prioritization** - Is the proposed prioritization of actions and timeline for completion of activities consistent with the Board.
- **Budget** - Some proposed actions require funding. As we prepare the draft 2022 budget for HEDRA review in July, should the following items be considered for funding:
 - Capital funding for property acquisition and development
 - Downtown Architectural Assessment
 - Property rehabilitation loans

ACTION – Provide any recommended revisions or additions to the proposed action steps.

E. Authorize Signature - Contract for Private Development - TIF Agreement - Hastings AH I, LLLP (Schoolhouse Square Senior Housing)

At the February 13, 2020 meeting, HEDRA adopted a Resolution No. 2020-03 establishing a Tax Increment Finance (TIF) District for development of the 90 unit Schoolhouse Square Senior Housing project by Real Estate Equities (Hastings AH I, LLLP).

The Housing TIF District was established in order to keep rents for the facility affordable, requiring a minimum of 40% of units be made affordable to

families at or below 60% of the area median income. Revenue established through the TIF District would be reimbursed to the Developer for certain land acquisition and site development costs. The project has now received all of its entitlement approvals from the City and construction is planned to begin shortly.

The TIF Agreement outlines certain obligations for the Developer including construction of improvements, affordability covenants and insurance. HEDRA obligations include issuance of a TIF Note and reimbursement of qualified costs.

TIF establishes a “district” that captures the local property tax revenues from the additional property value created by new development in the district. The captured revenues (the “tax increment”) are used to facilitate the development. The core principle of TIF is that the development as proposed would not occur without the use of TIF (the “But For Test”).

ACTION – Authorize Signature of the attached Contract for Private Development TIF Agreement.

V. Reports and Information

A. Commercial Vacancy

| | Available May 2021 | Available June 2021 | Net Change |
|-------------------|-----------------------|------------------------|------------|
| Downtown | 9 | 9 | 0 |
| Highway 55 | 12 | 12 | 0 |
| Vermillion Street | 13 | 13 | 0 |
| Industrial Park | 3 | 3 | 0 |
| TOTAL | 37 | 37 | 0 |

B. Development Update

The Confluence – Staff met with Confluence development last week to review the status of the project. Roof work should be complete by mid-June. They are planning a public announcement of tenants and unveiling of improvements to coincide with Rivertown Days in mid-July. An amendment to the Development Agreement pertaining to dates of completion is being developed for HEDRA and Council action in July.

Target – Staff continues to meet regularly with the building broker, CBRE.

Quality One Woodwork – The Site Plan for construction of the 50,000 s.f. addition has been submitted and will be reviewed by the Planning Commission on June 14th. Council review is anticipated on June 21st.

Port of Hastings Outfitters - On June 7th, the City Council will review a

home occupation permit for Port of Hastings to operate their E-Bike rental facility out the owner's home at 420 East 6th Street (adjacent to the Bailey Street trail). Port of Hastings operated last year under the TH 61 bridge and plans on operating within the Confluence in 2022.

Custom Sawdust – Building plans are nearly complete and construction should start shortly on the 4,500 s.f. building on 31st Street E.

Climate Controlled Storage – Ed Rhymer has submitted a Special Use Permit application to convert a portion of the strip mall next to Coburns into climate controlled storage. The Planning Commission is scheduled to review the request on June 14 with City Council approval anticipated on June 21st.

Simply Secure Storage – Construction has begun on the mini storage site located along Spiral Blvd.

Schoolhouse Scoop - The local ice cream shop will not be moving into downtown Hastings due to costs related to required building improvements for a food user. A retail business still to be disclosed is now anticipated to occupy the former Mississippi Clay works space.

Heritage Ridge – Construction of the first two phases consisting of 40 homes continues. Submittal of the third phase of construction containing and additional 43 home sites is planned shortly, with construction of the third phase planned to begin this fall.

Vermillion Acres – Developer has received all City entitlements and closed on purchase of the property. Developer is finalizing construction details.

Schoolhouse Square Senior Housing – Real Estate Equities has submitted building permit plans for the 90 unit building with construction expected to begin in July with completion by late summer 2022.

South Oaks 4th Addition – The City Council approved the Preliminary and Final Plat to construct 33 single family homes located southwest of 31st and Century Drive at their meeting on May 3rd. Greg J Homes is the developer.

Villas at Pleasant – Simek Properties continues construction of street and utilities for the 32 unit development.

Wallin 19th Addition – 13 single family lots northeast of General Sieben Drive and River Shore Drive. Council has granted approval and construction will begin shortly.

C. BR&E Report – Innovative Surfaces

Please see the attached survey report completed by Innovative Surfaces as part of their BR&E visit.

ATTACHMENTS

- Minutes – May 13, 2021 - Regular Meeting
- Bills – May 2021
- Resolution No. 2021-07 - Approve Purchase and Development Contract - River City Investments
- Purchase and Development Contract - River City Investments
- Resolution No. 2021-08 - Approve Purchase and Development Contract - Quality One Woodwork
- Purchase and Development Contract - Quality One Woodwork
- Strategic Plan Matrix
- Contract for Private Development - Hastings AH I, LLC (Schoolhouse Square Senior)
- Innovative Surfaces BR&E Survey Report

Next Meeting: July 8, 2021