

**HASTINGS ECONOMIC DEVELOPMENT & REDEVELOPMENT
AUTHORITY**

September 9, 2021 - 6:00 pm.

HASTINGS CITY COUNCIL CHAMBERS

The Hastings Economic Development and Redevelopment Authority of the City of Hastings, Minnesota met in a regular meeting on Thursday, September 9, 2021 at 6:00 p.m. in the Hastings City Council Chambers.

HEDRA Commissioners Present: Peine, Goblirsch, Horsch, Braucks, and Vaughan

HEDRA Commissioners Absent: Sinclair and Sullivan

Staff Present: Community Development Director, John Hinzman and City Administrator, Dan Wietecha

I. Quorum

A quorum was established and the meeting was called to order by President Peine at 6:00 p.m. with 5 members present.

II. Minutes

A. July 29, 2021 special meeting

Commissioner Goblirsch motioned to approve the minutes from the July 29, 2021 special meeting. Seconded by Commissioner Braucks. Motion approved 5-0 as presented.

III. Bills

Mr. Hinzman provided a summary of July and August's bills and noted that the Levander Gillan Miller section was left blank on accident and that it should read \$4,261.50.

Commissioner Vaughan motioned to approve as presented. Seconded by Commissioner Braucks. Motion approved 5-0.

IV. Business

A. UBC Property - NJS Development, LLC (Stencil Group)

1. Public Hearing to Consider Sale of HEDRA Owned Property

A public hearing was held, but no comments were made. Developer Nate Stencil was available for questions.

2. Resolution 2021-13: Authorize Signature - Purchase and Development Agreement

Mr. Hinzman provided a summary of the request seeking authorization for signature of a purchase and development agreement between HEDRA and NJS Development, LLC for the purposes of constructing an apartment building.

Commissioner Vaughan, Nate Stencil, and Mr. Hinzman discussed the potential need for TIF to fill in any gaps while financing the project. TIF funding requests are expected to be submitted by the end of the year so that the project can proceed in the spring of 2022.

Commissioner Vaughan motioned to adopt Resolution 2021-13. Seconded by Commissioner Horsch. Motion approved 5-0 as presented.

Mr. Hinzman noted that a similar request will be placed on City Council's September 20th agenda.

B. Resolution 2021-14: Authorize 2022 HRA Levy

Mr. Hinzman provided a summary of the request to authorize the 2022 HRA Tax Levy which would generate approximately \$413,820 in revenue for HEDRA to complete the goals and projects identified in its strategic plan.

Commissioner Horsch asked if the proposed levy is consistent with previous levies.

Mr. Hinzman responded that the levy's percentage amount has stayed the same since the inception of HEDRA.

Commissioner Goblirsch asked for clarification on the timeline for the UBC site's demolition as it relates to the Community Development Department's 2022 budget priorities.

Mr. Hinzman responded that the demolition cost listed is an old estimate and that due to the trend in increased cost of materials, its demolition could end up being a wash.

Commissioner Braucks motioned to adopt Resolution 2021-14 to approve the proposed levy. Seconded by Commissioner Goblirsch. Motion approved 5-0 as presented.

C. The Quill - Schoolhouse Square Senior Housing

1. Resolution 2021-15 - Amend Contract for Private Development

Mr. Hinzman provided a summary of the request to amend the Contract for Private Development as the Minimum Assessment Agreement is no longer necessary for this project.

Commissioner Braucks asked for the reasoning behind the removal of the minimum assessment requirement.

Mr. Hinzman responded that it was removed because there is no risk associated with this type of development so the risk mitigation tool of a Minimum Assessment Agreement is not necessary.

Commissioner Vaughan motioned to adopt Resolution 2021-15 and Resolution 2021-16 to amend to the Private Development Contract and approve the Subordination Agreement and Consent and Estoppel Contract. Seconded by Commissioner Goblirsch. Motion approved 5-0 as presented.

2. Resolution 2021-16 - Approve Subordination Agreement and Consent and Estoppel Certificate

Mr. Hinzman provided a summary of the request to approve the Subordination Agreement and the Consent and Estoppel Certificate for the issuance of Revenue Bonds by Dakota County.

Commissioner Vaughan motioned to adopt Resolution 2021-15 and Resolution 2021-16 to amend to the Private Development Contract and approve the Subordination Agreement and Consent and Estoppel Contract. Seconded by Commissioner Goblirsch. Motion approved 5-0 as presented.

V. Reports and Information

A. HEDRA 2nd Quarter Financial Report

Mr. Hinzman provided a summary of the report prepared by Senior Accountant Ashely Bertrand. The report found that investment income was lower than in 2020 with the continuation of challenges stemming from the COVID-19 pandemic. This includes the loss payment revenue due to the emergency assistance provided to HEDRA loan customers. It also highlighted a larger transfer that occurred in 2021 with the closing of HEDRA fund 404 and the margining of HEDRA fund 407.

B. Open to Business 2nd Quarter Report

Mr. Hinzman provided a summary of the Open to Business Quarterly Report. The report found that the program provided counseling for 23 local businesses and clients and performed outreach within the community to educate local businesses and businesspersons of the tools that have been made available to them such as programs, seminars, and loans.

C. WSI Sportswear Project

Mr. Hinzman provided a summary of the request of seeking questions or comments from HEDRA regarding the potential project. The potential project involves the relocation of WSI Sportswear to the City of Hastings Business Park. The potential construction would include a 20,000-30,000 sf building on a 2.0-acre property and contain a retail showroom as well as product manufacturing and warehousing.

D. Downtown Architectural Assessment

Mr. Hinzman provided an update on the Downtown Architectural Assessment. Staff is currently reviewing two proposals received by consultants to complete the assessment. Staff anticipates having selected a consultant by the October 14th HEDRA meeting. Staff has also applied for a Dakota County RIG Planning Grant to help pay for the study.

Commissioner Vaughan inquired into whether structural information collected for individual properties will be made available as public information.

Mr. Hinzman acknowledge the importance of that question and noted that an answer will be made available in the future.

E. Makers Alleyway Market

Mr. Hinzman provided an update on the Makers Alleyway Market pilot project. Only two out of the three markets were held due to weather. The markets that weren't canceled however, showed strong interest and were generally well received. An overhaul of the City's ordinance related to transient merchant licenses were among the improvements discussed for next year.

President Peine thanked Mr. Maass for all the work that he put into the project.

F. Development Update

Mr. Hinzman summarized development activities that have taken place within the City throughout the past month. Among the activities discussed were: the release of 2020's census data, Summergate Annexation for the development of a 70-acre 160 single family lot subdivision, Luke Siewert's apartment building that will be reviewed by the Planning Commission on the 13th, the Confluence redevelopment's continuation of encapsulation work, continued discussions with Target's building broker, CBRE, KO Storage's proposed expansion that will also be reviewed by the Planning Commission during their next meeting, and 14 building permits submitted for Heritage Ridge.

VI. Closed Door Session - Review Potential Purchase of Property

Commissioner Horsch motioned to close the public portion of the meeting and adjourn to

a closed session at 6:32 p.m. Seconded by Commissioner Braucks. Motion approved 5-0.

VII. Adjourn

7:03 p.m. motion to adjourn meeting made by Commissioner Vaughan and seconded by Commissioner Horsch. Motion to adjourn approved 5-0.

Next Meeting: October 14, 2021

Respectively submitted:

Grady Timmerman

Community Development Intern