



December 9, 2021

Hastings Economic Development & Redevelopment Authority
Attn: Mr. John Hinzman
101 4th Street East
Hastings, MN 55033

RE: Cover Letter for Purchase of Real Property
PID: 19-63950-00-010 & PID: 19-63950-00-021

Dear Mr. Hinzman,

Please find attached Letter of Intent with respect to the purchase of HEDRA's real property located at the southeast quadrant of Tyler Street and First Street.

PROPOSED USE:

We are proposing a boutique mixed-use development consisting of two structures. The primary structure includes 27 residential rental units. Four of the units are proposed as "live/work" spaces that would activate the ground floor and provide studio or commercial space directly connected to a rental unit for aspiring entrepreneurs. The conceptual development plan also includes staging of four shipping containers to create a seasonal riverfront bar and restaurant.

We believe the proposed use is consistent and closely aligned with an existing zoning designation of Downtown Core as well as being guided as a Mixed-Use property in the 2040 Comprehensive Plan.

SITE CHALLENGES:

There are a number of potential challenges that any buyer will face when redeveloping this site including: 1) environmental clean up; 2) flood plain boundaries; 3) existing public / private easements; and, 4) bedrock.

Environmental Clean Up

Because of the anticipated clean up related to the Metropolitan Council grant received, reviewing any available information the City has related to current environmental conditions as well as work to be completed will be extremely helpful.



Flood Plain & Existing Easements

Based on County GIS maps and historic plats, the site appears to be significantly encumbered by both the 100-year flood plain and existing public and private utility and drainage easements. Specifically, there is a 50-foot easement for the overhead transmission lines (and others) that bifurcates the buildable area of the two parcels. Additionally, the overhead transmission lines may be problematic for two reasons: 1) project financeability and insurability could be impacted due to proximity and 2) relocation is cost prohibitive at, per Xcel Energy, \$750,000 per tower. As an unfortunate result, the parking field will need to be located between the building and river. Ideally, we would have placed it on the south side of the property to provide unrestricted view but this does not appear to be an option. Because of these variables, the most important initial task we are asking the City to complete is an ALTA/topographic survey to fully understand all physical site constraints.

Bedrock

Geotechnical exploration will also be important to better understand whether there is any opportunity for underground parking. Based on the adjacent and recently completed ArtSpace project, it is our assumption that Bedrock will prohibit the ability to provide underground parking. As a result, all parking for project will need to be surface parking and at grade which will be another limiting factor for project density and size.

SCHEDULE:

We would be targeting a fall 2022 construction commencement and summer 2023 occupancy.

PAST PERFORMANCE:

Mint Development Co has proposed similar terms of the previously negotiated Letter of Intent and Purchase & Sale Agreement that were used to acquire land from the City of Hastings in 2018 to construct the Aspen Dental. This should allow both parties to streamline negotiations and reduce legal expenses.



I greatly appreciate HEDRA's consideration of the proposed Letter of Intent and look forward to continued discussion regarding the potential develop of a boutique mixed-use project on the subject site.

Sincerely,

A handwritten signature in black ink that reads "Robert Barse". The signature is fluid and cursive, with a long horizontal line extending to the right.

MINT DEVELOPMENT COMPANY LLC

Robert Barse

Principal / Owner

(612) 499-6095 | rob@mintdevco.com



December 9, 2021

Hastings Economic Development & Redevelopment Authority
Attn: Mr. John Hinzman
101 4th Street East
Hastings, MN 55033

RE: Purchase of Real Property | SE Quadrant of 1st St & Tyler St Hastings, MN

Dear Mr. Hinzman,

This Letter of Intent is for the purpose of outlining the present intentions of Mint Development Company LLC with respect to the purchase of the City's real property described below. If you are in agreement with the terms below, we will prepare a purchase agreement for your review, incorporating these and other terms.

PROPERTY:

PID: 19-63950-00-010 and
PID: 19-63950-00-021 per Exhibit A.
Approximately +/- 1.49 total acres.

SELLER:

Hastings Economic Development &
Redevelopment Authority
101 4th Street East
Hastings, MN 55033

BUYER:

A to be formed partnership to be owned by
Mint Development Company LLC or related
entity and partners.

**(Purchase Agreement may be assignable
by Buyer)**

PURCHASE PRICE:

The Purchase Price shall be ninety four
thousand five hundred dollars **(\$94,500.00)**.
Seller to pay off any specials at closing.



EARNEST MONEY:

Buyer will place \$2,500.00 of earnest money (the "Earnest Money") into a trust account with First American Title Insurance Company in Minneapolis within 10 business days of a fully executed Purchase & Sale Agreement. Said Earnest Money shall be fully refundable through the Due Diligence Review Period and apply toward Purchase Price.

DUE DILIGENCE REVIEW PERIOD:

Upon execution of the Purchase & Sale Agreement, Buyer shall have one hundred eighty (180) days after receiving the ALTA/NSPS land survey and last of the Seller's documents, which are in Seller's possession, to conduct its due diligence (the "Due Diligence Review Period") and entitlements on and about the Property, which shall include but not be limited to:

- A. Satisfactory review and approval of survey of property provided by the City.
- B. Satisfactory condition of title.
- C. Satisfactory environmental reports and condition. Buyer understands that City has obtained a grant from Met Council for necessary environmental clean up. City to provide MPCA No Action letter following completion certifying that the site is clean for redevelopment.
- D. Satisfactory soils reports on the Property following completion of City's environmental clean up.
- E. Necessary approval for all utility and other easements or easement vacations which are necessary for the Buyer's contemplated development and use of the Property.
- F. Satisfactory market demand analysis results.



- G. Satisfactory governmental approvals for Buyers development plan and all related entitlements for the development contemplated for the property.
- H. No pending condemnation or litigation affecting the property.
- I. Satisfactory financing commitment for the property.

SITE CONDITION:

Site to be purchased “as-is” following City’s certification of environmental clean up completion.

CLOSING DATE:

Sixty (60) days after satisfaction of all Due Diligence Review Period conditions.

RIGHT TO EXTEND:

Buyer shall have the right to extend the Due Diligence Review Period by two (2) periods of sixty (60) days by notifying Seller prior to the expiration of the then current period. The Initial Earnest Money of \$2,500 shall become non-refundable for the first option. Buyer shall deposit additional Earnest Money of \$2,500 for the second option. Such Earnest Money shall be non-refundable, however, Earnest Money shall apply to the Purchase Price.

SELLER TO PROVIDE:

Within thirty (30) days of an executed Purchase & Sale Agreement, Seller to provide any documents of significance to the ownership, operations, and/or management of the parcel, including, but not limited to, existing septic tanks, wells, surveys, plat, civil plans, soil and environmental reports, any reciprocal operating easement agreement, MPCA No Action letter and title work.



ACCESS:

Seller agrees to provide Buyer access to the property for inspection and due diligence purposes following execution of the Purchase & Sale Agreement.

SIGNAGE:

Seller agrees to allow the Buyer to place one or two signs on the Property.

NON-SHOP:

The Seller and its principal shareholder or partners, employees, agents and representatives will not initiate, encourage the initiation by others of discussions or negotiations with third parties or respond to solicitations by third parties relating to the purchase of the Property in whole or in part. Further, Seller will not advertise or market property.

BROKER:

Seller and Buyer acknowledge that no brokers or agents have been involved in this transaction.

Signature page to follow



Seller and Buyer acknowledge that this proposal is not an offer, and that it is intended as the basis for the preparation of the necessary purchase documents. Only a fully executed purchase and sale agreement shall constitute a binding agreement for the purchase of the Property. If the foregoing terms are sufficient to allow the preparation of the necessary documents please sign in the space provided below, returning one original of this letter to my attention.

Sincerely,

A handwritten signature in black ink that reads "Robert Barse". The signature is written in a cursive style with a long horizontal flourish at the end.

MINT DEVELOPMENT COMPANY LLC

Robert Barse | President & Owner

PO Box #134, Hastings, MN 55033

(612) 499-6095 | rob@mintdevco.com

SELLER:

Agreed and Acknowledged by

Name _____

It's _____

Date _____



Exhibit A

PID: 19-63950-00-010 & PID: 19-63950-00-021
Approximately 1.49 acres of land

