

HASTINGS ECONOMIC DEVELOPMENT & REDEVELOPMENT AUTHORITY

WORKSHOP

Thursday, October 13th, 2022 - 6:00 pm.

THE CONFLUENCE - 200 WEST 2ND STREET

I. Quorum

II. Tour of The Confluence

III. Adjourn

HASTINGS ECONOMIC DEVELOPMENT & REDEVELOPMENT AUTHORITY

Thursday, October 13th, 2022 - 7:00 pm.

HASTINGS CITY COUNCIL CHAMBERS

I. Quorum

II. Minutes

A. September 11th Regular Meeting

III. Bills

IV. Business

A. The Confluence - 5th Amendment to PDA and Minimum Assessment Agreement

V. Reports and Information

- A. HEDRA discussion on Hwy 61 Updates
- B. Shovel Ready Development Site Update
- C. Makers Market Survey Responses
- D. Development Updates

VI. Adjourn

Next Meeting: November 10, 2022

**HEDRA
HASTINGS ECONOMIC DEVELOPMENT and
REDEVELOPMENT AUTHORITY**

The Hastings Economic Development and Redevelopment Authority of the City of Hastings, Minnesota met in a regular meeting on Thursday, September 8th, 2022 at 6:00 p.m. at Hastings City Hall.

HEDRA Commissioners Present: Goblirsch, Vaughan, Anderson, Horsch, Johnson and Braucks.

HEDRA Commissioners Absent: Sinclair

Staff Present: Community Development Director John Hinzman,
Economic Development Coordinator Eric Maass

I. Quorum

A quorum was established and the meeting was called to order by President Goblirsch at 6:00 PM with six members present.

II. Minutes

Motion made by a Commissioner and seconded by Commissioner Johnson to approve the minutes from the August 11th 2022 Regular Meeting Ayes 6; Nays 0. Motion approved.

III. Bills

Hinzman summarized the bills. Motion made by Commissioner Horsch and seconded by Commissioner Anderson to approve the bills. Ayes 6; Nays 0. Motion approved.

IV. Business

- A. Resolution 2022-30: Authorize 2023 Economic Development Levy - Summary of budget priorities presented:**
- Future Redevelopment Capital to acquire block 28.
 - Façade improvement grant program
 - Revolving loan funds
 - Downtown environmental cleanup
 - Business incubator
 - Future industrial park planning
 - Request for future discussion of separate EDA levy and discussion of grant programs. Approved 6-0 as presented.
- B. Recommendation on land sale to Intek Plastics, Inc.**
- 3.1 acres of vacant land nearby to the east of Intek
 - City held land as part of a jobs creation program with the state. We no longer need to hold it as part of the program, so we can sell to Intek.
 - Motion made by Commissioner Johnson and seconded by Commissioner Horsch to approve the recommendation. Approved 6-0.
 - City Council will consider final action along with the Site Plan

application for expansion which is tentatively scheduled for October 3rd.

V. Reports and Information

- A. Update Block 1 Update - The exclusive sales agreement with Mint Properties is set to expire shortly. Mint does not seek to extend the agreement. The property will be open for consideration by others.
- B. Hastings Business Incubator Project Update - Staff toured a similar facility in River Falls and shared insight into that project.
- C. Shovel Ready Development Site Update - Rokos provided marketing information for the site and is actively seeking interested parties for development.
- D. Development Updates
 - The Quill Senior Living/ Schoolhouse Square – final inspections next week, opening soon!
 - Fleet Farm opened!
 - Broke ground on vermilion acres senior living on county road 47-modular install
 - Heritage ride final addition coming this spring
 - Stencil development looking for some final environmental
 - Enclave starting construction any day now
 - New application from “Suite Living” – senior/memory care 32 units on 33rd and Vermillion
 - Confluence – information shared – follow up in Oct.

VI. Adjourn

- A. Adjourned the meeting at 6:38 p.m. Motion made by Commissioner Johnson and seconded by Commissioner Horsch to adjourn the meeting. Motion passed 6-0. Meeting adjourned.

Next Meeting: October 13th, 2022

<https://www.youtube.com/watch?v=3KFYqaiGS08>

Respectively Submitted:
Lindsay Anderson

180-1502-6317	BANK SERVICE FEES		B E G I N N I N G		B A L A N C E							210.00	
8/31/22	9/02	B30034	Misc	000000	09707	Aug HEDRA PosPay Fee		JE# 016582				30.00	240.00
			=====		AUGUST	ACTIVITY	DB:		30.00	CR:	0.00	30.00	
			=====		ACCOUNT	TOTAL	DB:		30.00	CR:	0.00		

180-1502-6322	POSTAGE		B E G I N N I N G		B A L A N C E							58.45	
9/01/22	9/09	B30045	Misc	000000	09713	Postage		JE# 016589				0.57	59.02
			=====		SEPTEMBER	ACTIVITY	DB:		0.57	CR:	0.00	0.57	
			=====		ACCOUNT	TOTAL	DB:		0.57	CR:	0.00		

180-1502-6337	INSURANCE-GENERAL LIABILITY		B E G I N N I N G		B A L A N C E							4,632.26	
9/30/22	7/25	B29841			09658	Q3 General Liability Ins		JE# 016493				2,316.13	6,948.39
			=====		SEPTEMBER	ACTIVITY	DB:		2,316.13	CR:	0.00	2,316.13	
			=====		ACCOUNT	TOTAL	DB:		2,316.13	CR:	0.00		

180-1502-6340	INSURANCE-WORKERS COMPENSATION		B E G I N N I N G		B A L A N C E							396.80	
9/30/22	7/25	B29842			09658	Q3 Workers Comp		JE# 016494				198.40	595.20
			=====		SEPTEMBER	ACTIVITY	DB:		198.40	CR:	0.00	198.40	
			=====		ACCOUNT	TOTAL	DB:		198.40	CR:	0.00		

180-1502-6720	OPERATING TRANSFER OUT		B E G I N N I N G		B A L A N C E							10,358.50	
9/30/22	7/25	B29836			09658	Q3 Admin Fee		JE# 016488				5,179.25	15,537.75
			=====		SEPTEMBER	ACTIVITY	DB:		5,179.25	CR:	0.00	5,179.25	
			=====		ACCOUNT	TOTAL	DB:		5,179.25	CR:	0.00		

POST DATE TRAN # REFERENCE PACKET=====DESCRIPTION===== VEND INV/PO/JE # NOTE =====AMOUNT===== =====BALANCE=====

180-6003-6101	FULL-TIME SALARIES-REGULAR		B E G I N N I N G		B A L A N C E							122,831.02	
9/02/22	8/30	P02417	PYEXP	00923	9-2 PR							7,465.61	130,296.63
9/02/22	8/30	P02417	PYEXP	00923	9-2 PR							147.40	130,444.03
			PROJECT: 72	807-150	MALCOLM AVE			ESCROW					
9/16/22	9/13	P02425	PYEXP	00926	9-16 PR							7,753.47	138,197.50
9/16/22	9/13	P02425	PYEXP	00926	9-16 PR							265.54	138,463.04
			PROJECT: 72	807-150	MALCOLM AVE			ESCROW					
9/23/22	9/19	P02431	PYEXP	00929	9-23 PR							1,624.00	140,087.04
9/30/22	9/28	P02435	PYEXP	00931	9-30 PR							7,965.91	148,052.95
9/30/22	9/28	P02435	PYEXP	00931	9-30 PR							53.11	148,106.06
			PROJECT: 72	807-150	MALCOLM AVE			ESCROW					
			=====	SEPTEMBER ACTIVITY DB:		25,275.04	CR:	0.00				25,275.04	
			=====	ACCOUNT TOTAL	DB:	25,275.04	CR:	0.00					

180-6003-6121	EMPLOYER CONTRIBUTION-PERA		B E G I N N I N G		B A L A N C E								9,316.42
9/02/22	8/30	A07572	DFT: 001249	08380	RETIREMENT CONTRIBUTIONS 60745							577.86	9,894.28
					P.E.R.A.			INV# 9029-2pr	/PO#				
9/16/22	9/13	A07910	DFT: 001254	08398	RETIREMENT CONTRIBUTIONS 60745							608.30	10,502.58
					P.E.R.A.			INV# 9029-16 PR	/PO#				
9/23/22	9/19	A08055	DFT: 001262	08407	RETIREMENT CONTRIBUTIONS 60745							121.80	10,624.38
					P.E.R.A.			INV# 9029-23pr	/PO#				
9/30/22	9/28	A08339	DFT: 001267	08424	RETIREMENT CONTRIBUTIONS 60745							601.42	11,225.80
					P.E.R.A.			INV# 9029-30pr	/PO#				
			=====	SEPTEMBER ACTIVITY DB:		1,909.38	CR:	0.00				1,909.38	
			=====	ACCOUNT TOTAL	DB:	1,909.38	CR:	0.00					

180-6003-6122	EMPLOYER CONTRIBUTION-FICA/MED		B E G I N N I N G		B A L A N C E								9,050.95
9/02/22	8/30	A07568	DFT: 001245	08380	FICA W/H	000102						451.32	9,502.27
					UNITED STATES TREASURY	INV# T3 9-2pr	/PO#						
9/02/22	8/30	A07568	DFT: 001245	08380	MEDICARE W/H	000102						105.54	9,607.81
					UNITED STATES TREASURY	INV# T4 9-2pr	/PO#						
9/16/22	9/13	A07906	DFT: 001250	08398	FICA W/H	000102						476.48	10,084.29
					UNITED STATES TREASURY	INV# T3 9-16 PR	/PO#						
9/16/22	9/13	A07906	DFT: 001250	08398	MEDICARE W/H	000102						111.43	10,195.72
					UNITED STATES TREASURY	INV# T4 9-16 PR	/PO#						
9/23/22	9/19	A08053	DFT: 001260	08407	FICA W/H	000102						100.68	10,296.40
					UNITED STATES TREASURY	INV# T3 9-23pr	/PO#						

FUND : 407-HEDRA

ACTIVE ACCOUNTS ONLY

TRANSACTION DATE: 8/25/2022 THRU 10/03/2022

DEPT : 180

ECONOMIC DEVELOPMENT

SUPPRESS ZEROS

ACCOUNTS: ALL

POST	DATE	TRAN #	REFERENCE	PACKET=====DESCRIPTION=====	VEND	INV/PO/JE #	NOTE	=====AMOUNT=====	=====BALANCE=====
9/23/22	9/19	A08053	DFT: 001260	08407 MEDICARE W/H		000102		23.54	10,319.94
				UNITED STATES TREASURY	INV# T4 9-23pr		/PO#		
9/30/22	9/28	A08337	DFT: 001265	08424 FICA W/H		000102		497.17	10,817.11
				UNITED STATES TREASURY	INV# T3 9-30pr		/PO#		
9/30/22	9/28	A08337	DFT: 001265	08424 MEDICARE W/H		000102		116.27	10,933.38
				UNITED STATES TREASURY	INV# T4 9-30pr		/PO#		
			=====	SEPTEMBER ACTIVITY DB:	1,882.43	CR:	0.00	1,882.43	
			=====	ACCOUNT TOTAL	DB: 1,882.43	CR:	0.00		

180-6003-6131 EMPLOYER PAID-HEALTH INSURANCE
B E G I N N I N G B A L A N C E 17,305.96

9/20/22	10/03	B30150	Health Ins	09736 SEPT HEALTH INS		JE# 016624		1,925.54	19,231.50
			=====	SEPTEMBER ACTIVITY DB:	1,925.54	CR:	0.00	1,925.54	
			=====	ACCOUNT TOTAL	DB: 1,925.54	CR:	0.00		

180-6003-6132 HIGH DEDUCTIBLE HEALTH INS
B E G I N N I N G B A L A N C E 1,466.72

9/02/22	8/30	P02417	PYEXP	00923 9-2 PR				91.67	1,558.39
9/16/22	9/13	P02425	PYEXP	00926 9-16 PR				91.67	1,650.06
			=====	SEPTEMBER ACTIVITY DB:	183.34	CR:	0.00	183.34	
			=====	ACCOUNT TOTAL	DB: 183.34	CR:	0.00		

180-6003-6134 EMPLOYER PAID-DISABILITY (LTD)
B E G I N N I N G B A L A N C E 307.89

9/20/22	9/23	A08196	EFT: 007068	08404 OCT 2022 LTD PREMIUM		001387		34.63	342.52
				SUN LIFE ASSUANCE COMPANY	INV# OCT 2022		/PO#		
			=====	SEPTEMBER ACTIVITY DB:	34.63	CR:	0.00	34.63	
			=====	ACCOUNT TOTAL	DB: 34.63	CR:	0.00		

180-6003-6217 OTHER GENERAL SUPPLIES
B E G I N N I N G B A L A N C E 0.00

8/30/22	8/31	A07685	CHK: 001879	08381 MAGNETIC NAME PLATE		002045		53.13	53.13
				SIGNARAMA ROSEVILLE	INV# INV-39587		/PO#		
			=====	AUGUST ACTIVITY	DB: 53.13	CR:	0.00	53.13	
			=====	ACCOUNT TOTAL	DB: 53.13	CR:	0.00		

SELECTION CRITERIA

FISCAL YEAR: Jan-2022 / Dec-2022
 FUND: Include: 407
 TRANSACTION DATES: 8/25/2022 THRU 10/03/2022
 TRANSACTIONS: BOTH

ACCOUNT SELECTION

ACCOUNT RANGE: THRU ZZZZZZZZZZZZZZ
 DEPARTMENT RANGE: - THRU -
 ACTIVE FUNDS ONLY: NO
 ACTIVE ACCOUNT ONLY: YES
 INCLUDE RESTRICTED ACCOUNTS: NO
 DIGIT SELECTION: ???-????-6???

PRINT OPTIONS DETAIL

OMIT ACCOUNTS WITH NO ACTIVITY: YES
 PRINT ENCUMBRANCES: NO
 PRINT VENDOR NAME: YES
 PRINT PROJECTS: YES
 PRINT JOURNAL ENTRY NOTES: NO
 PRINT MONTHLY TOTALS: YES
 PRINT GRAND TOTALS: NO
 PRINT: INVOICE/PO #
 PAGE BREAK BY: NONE

*** END OF REPORT ***

**HASTINGS ECONOMIC DEVELOPMENT & REDEVELOPMENT
AUTHORITY**

October 13, 2022 - 6:00 pm.

****Meet at 6pm at The Confluence (200 West 2nd Street) for a tour of the facility
prior to the regular meeting****

HASTINGS CITY COUNCIL CHAMBERS

I. Quorum

II. Minutes

Please see the attached HEDRA Meeting minutes from the September 8, 2022 regular meeting for your review and approval.

III. Bills

September Bills

MN Pollution Control Agency	\$1,575.00	UBC - Brownfield Review
Signarama	\$53.13	Admin - Nameplates
Centerpoint Energy	\$18.00	Block 28 - Heat - 412 Vermillion

Please see attached general ledger detail for further information.

IV. Business

A. The Confluence - 5th Amendment to PDA and Minimum Assessment Agreement

HEDRA is asked to consider the following actions related to The Confluence, a mixed use rehabilitation of the former Hudson Manufacturing Building:

1. Authorize Signature - 5th Amendment to Purchase and Development Agreement.
2. Authorize Signature - Minimum Assessment Agreement

Both actions would be approved subject to minor modification by the City Attorney.

The actions extend the substantial completion date from October 31, 2022 to May 31, 2023 and obligates Confluence to execute a Minimum Assessment Agreement for payment of taxes by Confluence based upon a valuation of \$5,733,294. The Minimum Assessment Agreement would be effective January 1, 2023 regardless of the status of completion of Minimum Improvements.

In 2016 the City, HEDRA, and Confluence Development executed a Purchase and Development Agreement (PDA) for Great River Landing (now The Confluence) a historic rehabilitation of the former Hudson Manufacturing Building located at 200 2nd Street W. The PDA set parameters and obligations for the transfer of the building to Confluence for development of a hotel, apartments, banquet facility, and commercial space.

All parties have subsequently executed amendments to the original PDA to reflect changes and delays with the project. The property was transferred to Confluence in March, 2018. In August 2019 a third amendment to the agreement was executed to address environmental remediation, remaining grant payments, and completion dates. The fourth amendment was executed in August 2021 to update commencement of the project and completion of items and obligated the developer to enter into a Minimum Assessment Agreement if substantial completion was not achieved by October 31, 2022.

Please see the attached 5th Amendment to the PDA and Minimum Assessment Agreement for further information.

V. Reports and Information

A. HEDRA Discussion on Hwy 61 Update

HEDRA previously indicated a desire to discuss the future Hwy 61 reconstruction project and the role that HEDRA could have as it relates to business impacts. The purpose of this agenda item is for HEDRA Commissioners to have an introductory conversation and present questions and/or concerns to City Staff. City Staff will take into consideration those questions and/or concerns raised by HEDRA and bring back answers and/or potential programs to mitigate future construction impacts.

To view proposed design concepts please visit the MnDOT project website at: <https://www.dot.state.mn.us/metro/projects/hwy61hastings/design.html>. Concepts are broken down by districts that were previously identified by the City as part of the Vermillion Street Corridor Plan.

B. Shovel Ready Development Site Update

The Rokos team has prepared marketing information for the site including new signage which has been installed. An Offering Memorandum (marketing brochure) has also been completed and was provided to HEDRA at its meeting in September. Rokos has received feedback from nine developers to date, one of which is considering submitting a conditional offer. Throughout the month of October Rokos has meetings scheduled with an additional 25 development companies. This includes speculative and build-to-suit industrial developers.

It has been noted in feedback to date that due to rising interest rates that industrial developers are beginning to shift away from mass scale speculative development due to the increased holding costs involved. The market remains attractive however but Developers are now looking to have 50-75% of a building leased prior to breaking ground.

C. Makers Market Survey Responses

Staff received 19 responses from a possible 32 vendors. The following is a summary of data gathered.

- 15 of 19 respondents indicated that attending the Hastings Makers Market was a good use of their time.
- 12 vendors preferred the park walkway compared to 2 that preferred the alleyway, with 5 indicating no preference.
- 11 of 19 respondents shared the City's social media posts about the market.
- 9 vendors said they would definitely be interested in participating in 2023 with an additional 9 vendors indicating they would maybe be interested.
- 13 of 19 vendors said they promoted the market to other vendors in their network.
- 8 vendors indicated a booth fee of <\$10 would be preferred, 10 said a fee of \$20, and one said a fee of \$40.

Areas of improvement:

- Marketing and promotion were by far the most commented area of improvement for this makers market including social media and on site signage. Also recommended that marketing images be made and provided to vendors for them to share on their social media sites to raise awareness.

Implementation:

- Staff will propose 2023 fee schedule amendment to include a vendor registration fee to incentive vendors showing up when registered to do so as there were some issues with no shows.
- Community Development Staff will meet with city communications staff in early 2023 to strategize on marketing approach.

D. Development Update

New Information

Intek Plastics Expansion – Site Plan application submitted for construction of a 60,000 s.f. addition to their existing building located at 1000 Spiral Blvd. MN DEED provided \$1.7 million in assistance through the Job Creation Fund and Minnesota Investment Fund. In September, HEDRA authorized sale of an adjacent property to Intek. The Planning Commission will review plans on October 10th with City Council review anticipated on October 17th.

Therapy OPS – Site Plan application submitted for construction of a new 2,300 s.f. therapy building located at the northwest corner of Westview Drive and South Frontage Rd (adjacent to Auto Zone). The Planning Commission is tentatively scheduled to review plans on October 24th with City Council review in November.

Suite Living - Senior Housing – The City Council approved all land use permits including a comprehensive plan amendment for the construction of a 32 unit senior housing facility at the southeast corner of 33rd Street and Vermillion. The one story project consists of both dependent and memory care units.

Lake Isabelle Flats (NJS Stencil Apartment) – Stencil has officially began construction on the 89 unit building near 3rd and Bailey Streets following final environmental approvals by the Minnesota Pollution Control Agency (MPCA).

Jersey Mikes – Jersey Mikes has completed construction and is officially open for business.

The Quill - Schoolhouse Square Senior Housing – Certificate of Building Occupancy has been issued and final checklist items are nearing completion for the for the 90 unit independent living senior facility near 10th and Vermillion.

Fleet Farm – Fleet Farm opened for business on September 9th at 875 General Sieben Drive. Work continues on the outdoor material sales area.

Enclave Apartments – Construction of the first 100 unit building will begin shortly along 33rd Street near Terrys Hardware. City Council approved a revised phasing plan to construct the two apartment buildings (211 units in total) in different phases. The developer will be installing all necessary infrastructure for both buildings during the first phase.

The Confluence – Progress continues with interior activities including interior framing, replacement of fire suppression system, electrical, plumbing, and replacement of windows.

PREVIOUS INFORMATION:

Heritage Ridge – City Council approved the 4th and final addition of Heritage Ridge containing 36 along with an agreement to conduct preliminary grading.

Vermillion Acres – Footing and foundation work continues on construction of the 75 unit senior housing facility near County Rd 47 and Riverwood Drive.

United Heroes League - Outdoor Refrigerated Rink – City Council approved an Interim Use Permit to construct an outdoor refrigerated rink along with temporary parking at their 15211 Ravenna Trail campus.

KFC - City Council has approved the Site Plan for construction of a new KFC Restaurant to be located on the northwest corner of 18th and Vermillion (former Erickson Freedom Gas Site).

315 Pine Street - Former Thorwood Inn - Cleanup work continues on the fire damaged former building. Partial demolition and renovation plans were approved by the Heritage Preservation Commission on July 27th.

Caribou Coffee - Coborns - Plans have been approved for the addition of a drive-thru window for Caribou Coffee at Coborns Grocery located at Redwing Blvd and 33rd Street.

Villas at Pleasant – More permits have been submitted for construction and work continues on the first model home at the 32 unit subdivision near Northridge and Pleasant.

Tyler Street Landing Apartments (Luke Siewert) – Purchase agreement extended to August 1, 2023 with home demolition by December 31, 2022 for the 32 unit apartment

building at 3rd and Tyler Streets.

Best Property Annexation - Redwing Blvd - Summergate Development has terminated its development agreement for purchase and development of the property. Best Property still seeking a purchaser and developer. Action on the application tabled at City Council pending identification of a new developer and concept plan.

ATTACHMENTS

- Minutes – September 11, 2022
- Bills - September, 2022
- Confluence - 5th Amendment to Development Agreement
- Confluence - Minimum Assessment Agreement

Next Meeting: Thursday, November 10, 2022

FIFTH AMENDMENT TO PURCHASE AND DEVELOPMENT AGREEMENT

THIS FIFTH AMENDMENT TO PURCHASE AND DEVELOPMENT AGREEMENT (“Fifth Amendment”) is made this _____ day of _____, 2022 (“Effective Date”), by and between the Hastings Economic Development and Redevelopment Authority, a public body corporate and politic (“Authority”), 101 Fourth Street East, Hastings, Minnesota 55033; the City of Hastings, a home rule charter city under the laws of the State of Minnesota (“City”), 101 Fourth Street East, Hastings, Minnesota 55033; Confluence Development LLC, a Minnesota limited liability company (“Redeveloper”), 101 East 10th Street, Suite 300, Hastings, Minnesota 55033; and Confluence Park LLC, a Minnesota limited liability company (“Park LLC”), 101 East 10th Street, Suite 300, Hastings, Minnesota 55033 (Redeveloper and Park LLC are collectively known as “Redeveloper”).

RECITALS

WHEREAS, the Authority, the City and Redeveloper entered into that certain Purchase and Development Agreement dated January 18, 2016 (the “Original Agreement”) as amended by the First Amendment to Purchase and Development Agreement dated January 2, 2018 (the “First Amendment”), further amended by the Second Amendment to Purchase and Development Agreement dated July 23, 2018, further amended by the Third Amendment to Purchase and Development Agreement dated August 19, 2019, which added Park LLC as a party thereto (the “Third Amendment”) and Fourth Amendment dated August 6, 2021 (collectively, the Original Agreement, First Amendment, Second Amendment, Third Amendment, Fourth Amendment and Fifth Amendment shall be called the “Agreement”), in which the Authority agreed to sell certain real property to the Redeveloper (“Redevelopment Property”) for the purpose of rehabilitating the building located on a portion of the Redevelopment Property (the “Building”) and performing certain other improvements to the Redevelopment Property as required in the Agreement; and

WHEREAS, the Authority conveyed the Redevelopment Property to the Redeveloper on or about March 5, 2018; and

WHEREAS, on or about March of 2020, the COVID-19 pandemic shut down all activities related to fulfilling the obligations under the Agreement and caused major stoppages and disruptions in the production, supply chains and workers such that it made compliance with completion dates in the Agreement impossible, resulting in a new completion date of October 31, 2022; and

WHEREAS, since that time supply chain issues related to the pandemic regarding windows, doors, electrical switches and control panels for the cooling units, as well as labor shortages have further contributed to the inability to meet the new completion date; and

WHEREAS, the Fourth Amendment required that in the event the Redeveloper is not able to complete construction by October 31, 2022, a Minimum Assessment Agreement would be executed.

NOW THEREFORE, the Parties hereby agree as follows:

Section 1. Section 4.3 (a)(v) of the Agreement is hereby deleted in its entirety and replaced as follows:

- v. Redeveloper shall substantially complete construction of the Preliminary Improvements, the Main Project, the Development Work and the Minimum Improvements by May 31, 2023. “Substantially complete construction” shall mean that the Redeveloper has completed all of the Developer’s construction obligations pursuant to this Agreement so that a Certificate of Occupancy can be issued for final occupancy of the entire Building.

Section 2. Section 9.2 (c) of the Agreement is hereby deleted in its entirety and replaced as follows:

- (c) Simultaneous with the execution of this Fifth Amendment, the Redeveloper shall execute a Minimum Assessment Agreement for the estimated market value of \$5,733,294, which shall be the minimum assessed value for the Redevelopment Property effective January 1, 2023, regardless of the status of the completion of the Minimum Improvements.

Section 3. All other terms of the Agreement shall remain unchanged.

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CONFLUENCE DEVELOPMENT LLC

By: _____
Patrick O. Regan
Its Vice President

STATE OF MINNESOTA)
) ss.
COUNTY OF DAKOTA)

The foregoing instrument was acknowledged before me this ____ day of _____, 2022 by Patrick O. Regan, the Vice-President of Confluence Development LLC, a Minnesota limited liability company, on behalf of said limited liability company.

Notary Public

CONFLUENCE PARK LLC

By: _____
Patrick O. Regan
Its Vice President

STATE OF MINNESOTA)
) ss.
COUNTY OF DAKOTA)

The foregoing instrument was acknowledged before me this ____ day of _____, 2022, by Patrick O. Regan, the Vice-President of Confluence Park LLC, a Minnesota limited liability company, on behalf of said limited liability company.

Notary Public

This document drafted by:
Korine Land (#0262432)
LeVander, Gillen, & Miller, P.A.
1305 Corporate Center Drive, Suite 300
Eagan, MN 55121
(651) 451-1831

MINIMUM ASSESSMENT AGREEMENT

THIS MINIMUM ASSESSMENT AGREEMENT (the “Minimum Assessment Agreement”), dated as of this ____ day of _____, 2022, is between the Hastings Economic Development and Redevelopment Authority, a public body corporate and politic (the “HEDRA”), the City of Hastings (“City”) and Confluence Development LLC, a Minnesota limited liability company and Confluence Park LLC, a Minnesota limited liability company (collectively, the “Developer”).

WITNESSETH

WHEREAS, on or before the date hereof the HEDRA, the City and Developer have entered into a Purchase and Development Agreement dated January 18, 2016 (the “Original Agreement”) as amended by the First Amendment to Purchase and Development Agreement dated January 2, 2018 (the “First Amendment”), further amended by the Second Amendment to Purchase and Development Agreement dated July 23, 2018, further amended by the Third Amendment to Purchase and Development Agreement dated August 19, 2019, which added Park LLC as a party thereto (the “Third Amendment”) and Fourth Amendment dated August 21, 2022, (collectively “Development Agreement”) regarding certain real property located in the City of Hastings, Minnesota (the “City”) the description of which is attached hereto as **Exhibit A** (the “Development Property”); and

WHEREAS, it is contemplated that pursuant to the Development Agreement, the Developer will undertake the construction of approximately 18 units of market rate housing, 68 units of hotel, 4,900 square feet of restaurant space, 6,100 square feet of event space with additional retail, as well as underground and surface parking, greenspace and related amenities in the City (the “Project”), in accordance with plans and specifications approved by the EDA; and

WHEREAS, the HEDRA, the City and Developer desire to establish a minimum market value for the Development Property and the improvements constructed or to be constructed thereon, pursuant to Minnesota Statutes, Section 469.177; and

WHEREAS, the Developer has acquired the Development Property; and

WHEREAS, the HEDRA, the City and the County Assessor of Dakota County have reviewed plans and specifications for the Project; and

NOW, THEREFORE, the parties to this Minimum Assessment Agreement, in consideration of the promises, covenants and agreements made by each to the other, do hereby agree as follows:

1. As of January 2, 2023, the minimum market value, which shall be assessed for the Development Property for taxes payable 2024 and in each year thereafter, shall not be less than \$5,733,294.

2. The minimum market values herein established shall be of no further force and effect after assessment on or before December 31, 2042, for taxes payable in 2043 provided, however, this Minimum Assessment Agreement shall terminate on such date as the TIF District (as defined in the TIF Assistance Agreement) is decertified (the "Termination Date"). If the Termination Date is earlier than December 31, 2042 for taxes payable in 2043, HEDRA shall duly execute and record a release of this Agreement upon the written request and sole expense of the then holder of fee title to the Development Property.

3. This Minimum Assessment Agreement shall be recorded by HEDRA with the County Recorder of Dakota County, Minnesota. The Developer shall pay all costs of recording.

4. Neither the preambles nor provisions of this Minimum Assessment Agreement are intended to, or shall they be construed as, modifying the terms of the Development Agreement between the HEDRA, the City and the Developer.

5. This Minimum Assessment Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties, shall be governed by and interpreted pursuant to Minnesota law, and may be executed in counterparts, each of which shall constitute an original hereof and all of which shall constitute one and the same instrument.

[remainder of page left intentionally blank]

**HEDRA:
HASTINGS ECONOMIC DEVELOPMENT AND REDEVELOPMENT AUTHORITY**

By _____
Bruce Goblirsch
Its President

By _____
Eric Maass
Its Secretary

STATE OF MINNESOTA)
) ss.
COUNTY OF DAKOTA)

The foregoing instrument was acknowledged before me this ____ day of _____, 2022 by Bruce Goblirsch and Eric Maass, the President and Secretary respectively, of the Hastings Economic Development and Redevelopment Authority, a public body corporate and politic organized and existing under the Constitution and laws of Minnesota, on behalf of HEDRA.

Notary Public

EXHIBIT A
LEGAL DESCRIPTION OF DEVELOPMENT PROPERTY

Lots 1, 2, 3 and 4, Block 1, Great Rivers Landing, Dakota County, Minnesota.

PIDs 19-30090-01-010, 19-30090-01-020, 19-30090-01-030, and 19-30090-01-040
Abstract Property

AND

Lots 2, 3 and 4, Block 12, Town of Hastings, Dakota County, Minnesota.

PID 19-32150-12-042

Abstract Property