

**HASTINGS ECONOMIC DEVELOPMENT & REDEVELOPMENT
AUTHORITY**

May 4, 2023 - 6:00 pm.

HASTINGS CITY COUNCIL CHAMBERS

I. Quorum

II. Minutes

Please see the attached HEDRA Meeting minutes from the March 9th Regular and March 16th Special Meeting for your review and approval.

III. Bills

March Bills

DCA Title	\$10,000.00	Block 28 – 114 W 5 th St - Earnest Funds
DCA Title	\$10,000.00	Block 28 – 418 Vermillion St - Earnest Funds
Mavo Systems	\$8,682.30	Confluence – Environmental – Encapsulation - FINAL
Dakota County CDA	\$5,150.00	Admin – Open to Business Annual Participation
Legend Technical Services	\$1,804.52	Confluence – Environmental – Encapsulation Testing
Levander, Gillen, Miller	\$903.18	Block 28 – 418 Vermillion St - Legal
Moseng Locksmithing	\$331.31	213 Ramsey St – Re-key Locks
Levander, Gillen, Miller	\$174.00	HEDRA Loans - Legal

April Bills

\DCA Title	\$212,978.95	Block 28 – 114 W 5 th St - Purchase
Anderson	\$3,200.00	Block 28 – 114 W 5 th St - Survey
Levander, Gillen, Miller	\$1,909.50	Admin - Legal
Stantec Consulting	\$1,000.00	Confluence – Environmental – Wood Sealing
Campbell Knutson	\$112.50	Admin – Legal – General Matters
Terrys Hardware	\$12.99	213 Ramsey St – General Materials

Please see attached general ledger detail for further information.

IV. Business

- A. Review Potential Sale of Property – 3000 Lightbourn Court** Gregg Lowe seeks to purchase a one-acre vacant parcel located at 3000 Lightbourn Court to construct a 6,000 s.f. building to truck and automobile repair shop and rental space for other uses. The sales price would be \$93,654 (\$2.15 per s.f.).

Staff has reviewed the concept plan and sale and has the following comments:

- HEDRA has a preference for the lease of space for industry as opposed to storage; could the space be available for other businesses?
- We would want to limit the number of items stored in the rear area of the yard. Vehicles for immediate repair should be fine, but want to avoid it being a "bone yard".
- The rear storage area would likely need to be paved with concrete curb (similar to the other parking areas of the site).
- Operation of the Repair Shop would require a Special Use Permit by the City Council prior to sale.
- Site Plan approval would be required by City Council prior to sale.
- Fire sprinklering may be required for the building.

Action: Review offer to purchase property and proposed plans for development. If review is favorable, a purchase agreement would be prepared for future HEDRA action. Please see the attached concept plans for further information.

B. Resolution No. 2023-06 - Authorize Signature of Lease Agreement – 418 Vermillion Street (Dicks Barber Shop)

The Purchase Agreement for 418 Vermillion Street (Dicks Barber Shop) approved by HEDRA on March 9th required execution of a Lease Agreement for the lease-back of the Property to the Seller (Twelve Thirteen Properties) for \$1.00 for a period of up to two years with the following terms and conditions:

- a. During the term of the Lease Agreement, Seller shall be responsible for all taxes, utilities, interior and exterior maintenance, subtenants, contracts, permits, licenses, warranties, and intangible property.
- b. Leases which are currently month to month, shall remain on a month-to-month basis throughout the duration of the lease back period.
- c. Any lease that is not currently month to month, shall only be extended on a month-to-month basis.
- d. If the current month to month lease for the first-floor commercial space terminates during the term of the Lease Agreement, HEDRA shall have the first right to lease said space at a rate of \$850/month.
- e. At any time after the first 12 months of the Lease Agreement, HEDRA may terminate the Lease Agreement by providing 60 days' written notice of termination and pay the Seller at a rate of \$3,820/month that is remaining on the Lease Agreement.

Action: Adopt Resolution No. 2023-06. Please see attached resolution and lease Agreement for further information.

C. Authorize Signature: Agreement for Investigative Analysis – Block 28 TIF

HEDRA is considering establishment of a Redevelopment Tax Increment Finance (TIF) District on Block 28 (area bounded by 4th, Vermillion, 5th, and Eddy Streets) to provide additional revenue for future redevelopment of the block. Prior to establishment of a TIF District for redevelopment purposes, certain determinations must be made relative to the condition of properties and buildings.

The attached contract with LHB Corporation would direct completion of necessary TIF items including a visual review of interior and exterior of buildings to determine existing conditions and to make a determination of buildings being “structurally substandard”.

The cost for preparing the Final TIF Report would not exceed \$10,200. Existing funds within the consultant budget would be used and costs may be reimbursed by future TIF revenues.

Action: Authorize Signature of the attached Agreement for Investigative Analysis. See agreement for further information.

V. Reports and Information

A. Open To Business – 2023 Quarter 1 Report

Please see the attached report for further information.

B. Economic Development Coordinator Update

Initial phone interviews with candidates occurred on April 20th. On-site interviews will be taking place on May 9th.

C. Development Update

New Information:

114 West 5th Street – As of April 27th, HEDRA is now the proud owner of the single-family house across from the fire station.

Therapy OPS – Exterior framing is nearly complete on the new 2,300sf therapy building located at the northwest corner of Westview Drive and South Frontage Rd (adjacent to Auto Zone). A summer opening is anticipated.

The Confluence – Hotel and apartment finishing materials (flooring, cabinets, vanities) are being installed.

Vermillion Acres – Modular components of the building have been delayed and may not

be installed until Fall for the 75-unit senior housing facility near County Rd 47 and Riverwood Drive.

Scooter Rental – Spin Scooters were deployed on April 17th. Staff will monitor the scooter activity for any future council action in July.

Previous Information:

Walden at Hastings - Best Property Annexation - Redwing Blvd – Land Equity proposes a residential development containing approximately 450 housing units near TH 316 and Michael Avenue. Housing would include single family, twin home, townhome, apartment and senior housing. Many, if not all of the units would be rented. The City Council approved the annexation of property on March 20th. The environmental reviews and traffic impact study is underway.

Lake Isabelle Flats (NJS Stencil Apartment) – 3rd floor framing is commencing for the 89-unit apartment building near 3rd and Bailey.

Suite Living - Senior Housing – Construction is now anticipated during the fall of 2023 for the 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.

KFC - Construction of the new KFC on the northwest corner of 18th and Vermillion (former Erickson Freedom Gas Site) is now expected to commence in spring of 2023. The developer has been progressing on City and State permitting.

Intek Plastics Expansion – City staff continue to coordinate with Intek Plastics and the State of Minnesota DEED regarding MIF and JCF awards.

Tyler Street Landing Apartments (Luke Siewert) – 32-unit apartment building at 3rd and Tyler Streets. HEDRA approved 2nd Amendment to Purchase agreement on December 8th to eliminate requirement to demolish house by December 31, 2022. Dakota County has extended the \$250,000 Redevelopment Incentive Grant for the site.

Heritage Ridge – Grading activities have commenced for the final addition of the 116-lot single family residential development near General Sieben Drive and Northridge 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.

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.

ATTACHMENTS

- Minutes – March 9th, 2023, Regular Meeting
- Minutes – March 16th, 2023, Special Meeting
- Bills – March and April 2023
- Concept Plans – 3000 Lightbourn Court
- Resolution No. 2023-06 – Authorize Signature of Lease – 418 Vermillion St
- Lease Agreement – 418 Vermillion St
- Agreement for Investigative Analysis – LHB
- Open To Business Quarter 1 Report

Next Meeting: Thursday, June 8, 2023