

**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, July 11, 2024 at 6:00 p.m. at Hastings City Hall.

HEDRA Commissioners Present: Johnson, Anderson, Goblirsch, Horsch, Pemble, and Fox

HEDRA Commissioners Absent: Carter

Staff Present: Community Development Director John Hinzman
Economic Development Coordinator Alex Menke

I. Quorum

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

II. Minutes

President Johnson asked if there were any additions or corrections to the minutes of the regular meeting of June 24, 2024.

Commissioner Horsch asked Hinzman if he had an intern complete the minutes from the last meeting.

Hinzman replied with an introduction of the summer intern Lindsey Duggan.

Commissioner Goblirsch motioned to approve the minutes as presented, seconded by Commissioner Anderson.

Minutes were approved as presented.

III. Bills

Hinzman summarized the bills from last month and pointed out the legal research and security upgrades done at the building of 213 Ramsey Street.

President Johnson asked if there were questions regarding the bills.

Commissioner Horsch motioned to approve the resolution, seconded by Commissioner Pemble. Ayes 5; Nays 0. Motion approved.

IV. Business

- A. Resolution 2024-09 – Termination of Purchase Agreement – River City Investments LLC (Luke Siewert)**

Hinzman introduced the resolution. He explains that this agreement dates back to 2022 with Luke Siewert. Hinzman continues by refreshing the Commission on what Siewerts proposal and agreements were and he did obtain approval of his plan at the time. He explains that about a year ago a similar request of extension was brought to HEDRA, and they approved it. Since then, Siewert has had very little communication with Hinzman, and the city is not aware of any new information or updates about this project. Hinzman discusses the options the board may have tonight. One is to terminate the agreement and the other is to extend the agreement for a certain amount of time.

Siewert takes the stand and discusses his viewpoint on his project. He explains that it dates back to before 2020 and he has invested a lot of time and money into this throughout the years. Siewert describes how Covid and the market have caused this project to be delayed and that is why he needed to extend. The market now has changed, and he describes that the pricing has decreased, and contractors are now approaching him about this plan. Siewert continues to explain the number of days and time each step of this process could take and assures the board that he is invested in this project and if he loses the lot, it will put him in a difficult situation of starting over. Siewert asks for an extension on the agreement.

Hinzman clarifies that no commitment of a TIF district has been made for this project.

Commissioner Anderson asks for clarification on the pricing.

Siewert states that its up roughly \$700,000 from the original numbers. The plan is then to use the new numbers to plug in and determine the final cost. He adds that his rent scales will change the numbers as well.

Commissioner Anderson questions the amount of time it will take to plug the numbers in.

Siewert explains that he has an upcoming meeting and help from a friend so the process should not take long.

President Johnson asks how much of an extension Siewert is looking for.

Siewert describes that a spring date would work but a summer date would be preferable.

President Johnson questions if there are any key milestones in place.

Siewert does not have specifics currently.

President Johnson questions staff about the termination date.

Hinzman states that by August 1st financing needs to be proven and a closing date would need to be established, but that is not reachable at this time.

Commissioner Horsch turns to staff to determine that if an agreement is made with parameters, what do they need from Siewert right now, and is it possible for staff.

Hinzman states he is okay with an extension, but request milestones are

determined.

Commissioner Fox questions the extra cost towards the city if it is extended.

Hinzman states not much would be an extra cost.

Siewert adds that it was delayed because of the market conditions and other barriers that he now sees changing.

Commissioner Anderson asks when Siewert plans to break ground.

Siewert is unsure at this point but is striving for a spring date.

Following, Anderson asks if the numbers don't work when is it possible to obtain a rebid.

Siewert explains projects stop getting looked at after going through contractor's desks repeatedly so if it didn't work, he would be hesitant to send it out again right away.

Commissioner Pemble questions when a shovel ready date would be if Siewert were to obtain this extension.

Siewert explains that his goal is Spring of 2025.

Pemble continues by explaining his concern with the project and wants to know if this project is worth extending.

Siewert reiterates the barriers this project has gone through up until now. He describes how committed he is to this project and that he believes it should not be let go of.

Commissioner Anderson explains that multi-family units have gone up in town over this time and questions why this one is difficult.

Siewert makes it known that part is the developers, part is timing and part is the size of construction crew.

President Johnson questions if Siewert has talked with any of the units that have gone up recently.

Siewert notes that he has reached out to one that he hasn't heard back from as well as one he talked to a while back.

Johnson continues by questioning both Siewert and staff about milestones for this project.

Siewert explains that he is unsure.

Hinzman states that he is also unsure but likes the idea. He suggests that if extended it should be for a limited time so they can develop parameters.

Commissioner Horsch states that there needs to be practical touch points with consequences if not met.

Commissioner Fox highlights the good communication from staff and discusses the need for open communication.

Commissioner Fox motioned to extend Siewerts purchase agreement to October 1st, 2024 so they can develop achievable and reasonable milestones,

seconded by Commissioner Horsch. After further discussion from commissioners President Johnson restates the motion. Ayes 6, Nays 0. Motioned approved.

B. Resolution 2024-10: Decertification of TIF District No. 5 – Napa Auto

Hinzman discusses the history of the property. He continues by explaining HEDRA entered a TIF agreement and pledged \$128,000 in TIF revenue and met it, so the agreement is prepared to close. Hinzman explains the resolution and states it will be back to normal.

No commission discussion.

Commissioner Goblirsch motioned to approve, seconded by Commissioner Fox. Ayes 6, Nays 0. Motioned approved.

V. Reports and Information

A. Local Affordable Housing Aid (LAHA) Update

Menke gives a refresher on LAHA. The intent is to help local governments develop and preserve affordable housing. Menke gives more background information on the program and our distribution total is about half of what was estimated to be. He continues by stating how these funds can be used.

Commissioner Horsch asks if this will be brought up at the Joint meeting with the CDA.

Menke states it is just a form of preparation for the meeting.

Hinzman discusses what the meeting with the CDA will look like and what the question are that they will be looking at. He does explain that there is no obligation to spend the dollars over the next few years, but he doesn't want to wait too long.

Commissioner Anderson questions if the tax will happen annually.

Menke states he is unsure as he hasn't seen anything mention this.

Commissioner Anderson wants clarification on if it is a sales tax on everything in the metro.

Menke states he believes so and explains a separate program outside of the metro.

B. Development Updates:

Hinzman provided an update on current developments.

- United Hero League – Stadium Seating and Locker Room
- Rio Gran Express – 601 31st Street E
- South Oaks 4th Addition
- Highway 55 small Area Plan

Hinzman also states that he got to visit Thorwood at 315 Pine Street and was pleased with the progress that he saw inside.

Commissioner Horsch thanks Pavel for the hard work that he has been doing to this site. She continues by asking about Vermillion Acres.

Hinzman states that he is unsure of what will happen next.

VI. Adjourn

- A. Commissioner Anderson made a motion to adjourn the meeting at 6:50 p.m., seconded by Commissioner Pemble. Motion passed 6-0. Meeting adjourned.

Next Meeting: Thursday, July 22, 2024 – 6:00pm – Special Joint Meeting with City Council

Thursday, August 8, 2024 – 6:00pm – Regular Meeting

Respectively Submitted: Lindsey Duggan