Information

E Environment Committee

Meeting date: April 8, 2008

ADVISORY INFORMATION	
Date:	March 31, 2008
Subject:	Hastings Aggregate Update and Recommendations
District(s), Member(s):	16 – Brian McDaniel
Policy/Legal Reference:	
Staff Prepared/Presented:	Dale Ulrich 651-602-1020; Jason Willett 651-602-1196
Division/Department:	MCES c/o William G. Moore 651-602-1162

The Metropolitan Council owns approximately 208 acres of land lying in the southeastern corner of the City of Hastings, Minnesota, and in adjacent Ravenna Township. The site was acquired in 2005 for the eventual relocation of the Metropolitan Council Environmental Services' (MCES) wastewater treatment plant now located in downtown Hastings.

Some 150 acres of the property has been leased to Tiller Corporation since 1988. Tiller mines aggregate on the property, stores both mined and imported aggregates, and operates a bituminous batch plant under the name of Barton Sand & Gravel.

The 20-year lease agreement established between the former owners of the new Hastings plant site and Tiller Corporation ends May 31, 2008. That original lease agreement has no provisions for extension beyond 2008.

No target date for the treatment plant relocation has been established, nor has a final decision regarding the specific location of the future plant on the site been made; only a minor portion of the property (perhaps 10 acres plus outfall right-of-way) will ultimately be used for the plant.

Establishing a new lease arrangement with anyone other than Tiller Corporation is complicated by clause 4.3 of the existing lease dealing with termination. It allows Tiller 120 days (after May 31, 2008) to remove its mining and bituminous equipment, but two years to remove the processed aggregate and related scales and equipment. This means Tiller has all of the 2008 bituminous season (to Oct. 1) and until May 31, 2010 to remain present on the property.

Tiller Corporation has informally expressed a desire to remain on the property in order to continue the current mining and bituminous operations.

One option MCES management is considering is allowing the lease to expire. This approach would allow MCES time to better decide exactly what portions of the property it will ultimately build on and what portions it wishes to offer for long term lease. It also avoids potential conflict with a new operator arising from the two-year exit clause of the expiring lease, and allows time to gain appraisals of the mining potential of unmined portions of the property. Another alternative would be extending the lease for a shorter time period and changing the exit clause conditions.