

**CITY OF HANOVER
ECONOMIC DEVELOPMENT AUTHORITY MEETING
MARCH 13, 2014 – OFFICIAL MINUTES**

Call to Order

Chair Todd Bartels called the regular EDA meeting of March 13, 2014 to order at 8:05 a.m. Present were Todd Bartels, Joe Kaul, Jim Hennessey, and Randy Whitcomb. Keith Ulstad and Councilors Ken Warpula and John Vajda were absent. Also present were City Administrator Annita Smythe and EDA Consultant Heidi Peper.

Approval of Agenda

MOTION to approve agenda was made by Whitcomb, seconded by Hennessey. **Motion carried unanimously.**

Approval of Minutes from February 13, 2014

Kaul had a text revision for the update section related to the Fire House Auto site.

MOTION to approve the minutes, as amended, of February 13, 2014 was made by Kaul, seconded by Hennessey. **Motion carried unanimously.**

Approval of February 2014 Accounts Payable and Financial Reports

Hennessey asked for a status report of the Ehlers EDA loan. Whitcomb had not received a reply yet on the options discussed at the last meeting. Smythe noted that at least one payment had been received on the account, so the status was at a minimum the same as the previous month.

MOTION to approve the February 2014 accounts payable and financial reports as presented made by Kaul, seconded by Whitcomb. **Motion carried unanimously.**

Old Business

EDA Strategizing Session

Regarding scheduling of a strategizing session, Smythe stated she had not received responses on availability from several people. Peper offered to send out an online survey with several date options for April.

Status Updates

Fire House Auto – Peper reported that she had spoken to Bryan Reitzner, and he was speaking with the realtor.

Red Sky Brewery – Peper reported that they are now using the name Fishbone Brewery, and are still exploring options and pulling together their business plans. The EDA supports their search for a site in Hanover.

Greenhouse Project – Smythe gave a brief overview of the latest discussions with both Bradford Development and the Bridges Association regarding our easement request. Very little progress has occurred on either front. Smythe explained that some higher priority items had tied up the attorney's time early this year, so we did not yet have a draft agreement to the Bridges Association, but expected that would occur shortly. Members suggested we give them the draft and a deadline.

Members expressed disappointment in the lack of progress with Bradford Development, and discussed several theories on what is the holdup. Smythe stated that part of the issue is that they are busy with the construction of the Mankato facility, and so may not yet be ready to move forward with the Hanover site. Hennessey suggested that the Board should make clear our expectations. Members decided to have Hennessey meet with Bradford Development in Mankato, visit the construction site there, and discuss things with Brad Bass to try to determine what is needed to move forward. Members also suggested an offer to cover some of the initial costs associated with our Engineer and City Planner as an incentive to Bradford Development. The Board suggests staff get an estimate of current and expected costs from those parties. Members believe it would be helpful to provide Bradford Development a clearer

picture of what the costs would be to purchase the parcel. Staff will also draft a list of the discussion items for Hennessey. Smythe will contact Brad Bass in order to introduce Hennessey and ask for a meeting.

EDA Website – A proposal for web services from Kaul was included in the agenda packet. Members discussed the urgency of these updates, and determined that although they are important, they are not urgent, since Kaul Design Group is already under contract for the more urgent updates. Members decided to table this vote for the next meeting, as several members were absent and Kaul would abstain from any vote.

New Business

3 Diamond Development – Peper reported that since the first MHFA program that 3 Diamond looked at wasn't an option, they were looking at another MHFA program. This other program is not as generous of a tax credit, so they were looking at other funding alternatives, and were wondering if the EDA and City would support the creation of a TIF district. Peper did check with the Wright County Assessor's office for a tax estimate. She also explained that the TIF district could be a maximum of 26 years, but could be less. Members agreed that they would be willing to consider this alternative. They are looking for additional information, including the project plan's pro-forma. It must pass a but-for test and the TIF must be structured to meet the gap. Peper will pursue further discussions with 3 Diamond about their financials and is planning to meet with them at the state capital.

Reports

Kaul reported that the Historical Society is discussing options for a more permanent home, and has requested the City Council to consider allocating a portion of the 10 acre site for their use. They would like to have a small site/building to use as a public attraction, with continued operations funded through donations. Smythe noted that as part of the City's ongoing discussions about a long-term Public Works site, we have also been discussing options for other community organizations. Smythe will report back after the next Council work session.

Bartels gave an update about Pearson's continued plans to construct a building on one of their industrial park lots. He also suggested that our strategizing session include a discussion on options for the City's 10 acre lot on 5th Street.

Adjournment

MOTION to adjourn by Kaul, seconded by Whitcomb. **Motion carried unanimously.** Meeting adjourned at approximately 9:29 a.m.

ATTEST:

Annita M. Smythe, City Administrator