

**CITY OF HANOVER
ECONOMIC DEVELOPMENT AUTHORITY MEETING
APRIL 10, 2013 – OFFICIAL MINUTES**

Call to Order

President Todd Bartels called the regular EDA meeting to order at 8:02 a.m. Present were Todd Bartels, Joe Kaul, Jim Hennessey, John Vajda, Ken Warpula and Randy Whitcomb. Also present were City Administrator Bob Derus and EDA Consultant Heidi Peper. Keith Ulstad was absent.

Approval of Agenda

MOTION to approved agenda as presented was made by Warpula, seconded by Hennessey. **Motion carried unanimously.**

Approval of Minutes

MOTION to approve the minutes of March 14, 2013 as presented was made by Kaul, seconded by Warpula. **Motion carried unanimously.**

Approval of March 2013 Accounts Payable and Financial Report

MOTION to approve the March 2013 accounts payable and financial report as presented by Kaul, seconded by Whitcomb. **Motion carried unanimously.** Kaul noted that there was no payment by Roy C on their loan (staff later confirmed their loan payment was booked on 4-1-13) and the Initiative Foundation payment had not previously come out of the EDA budget. Derus said he would look into the Roy C payment and the EDA funding of the Initiative Foundation made sense because their support is mostly to create jobs and economic development, which is what the EDA does.

Old Business

Follow-up on Green House Assisted Living Project

Consultant Peper updated the status of the Green House Senior housing project. She explained the concept plan has been put together and submitted to Bradford Development, and they are agreeable with it. Also, the City Attorney had put together a rough purchase agreement. The EDA discussed the following:

- They discussed whether the property should be served by a public street or private driveway. The EDA felt that a private driveway would be preferable because it would be less expensive and the City would not have to maintain it. It was pointed out that there would have to be cross-easements or other clarification of the right of access.
- The EDA suggested the Developer be required to pay for half the cost of the access. The other half of this cost will be factored into the future price of the remaining vacant parcel the city retains.
- The EDA suggested the access be on the east side of the property if possible to minimize light and other traffic impacts to the residential properties on the other side of the street. Derus will check with the Engineer to see if this is possible.
- The next steps are: the agreement has to be refined; developer needs to sign it; and the city will begin the preliminary plat process.
- The EDA questioned whether the City is picking up more costs for closing than we should based on the draft agreement language. Members felt that this deal had been struck with the initial negotiations. The price was discussed to be \$10,000/acre. EDA recommended that staff roll some of the closing costs into the purchase price if possible.
- The EDA asked staff to communicate any progress made on the agreement/ plan throughout the month.

Plug Technologies Update

Consultant Peper informed the EDA that Plug Technologies had closed on their loans with the Initiative Foundation, Wright County Economic Development Partnership and City. They were very pleased with the way

everything worked out. Peper explained that they were still working out the MIF (Minnesota Investment Fund) loan.

PHS West

Administrator Derus briefly explained he continues to work with with Dan Cummings of PHS West, and we will be coming up with a proposal soon to move forward on a business expansion plan.

Follow-up on Power Outages

The EDA acknowledged the report by Scott Johnson with Xcel, regarding their power outages. Members thought the response was satisfactory.

New Senior Housing Opportunity

Hanover residents Tim Hanson and Butch Cox introduced an idea to bring in a developer to put together an affordable senior apartment across the street from City Hall, on the five acre parcel that Butch Cox owns. Also at the meeting were David and Ben Porush, of Three Diamond Development, a company out of Chicago that specializes in developing rent credit senior affordable housing. They explained their interest in developing the project and briefly explained the process. The EDA discussed:

- How the Low Income Tax Credit program works; the projects that score the highest have the support of the city. Support is normally demonstrated with a TIF District, Tax Abatement or other financial support. The EDA was generally open to the idea of support.
- The State also score projects based on the perceived market need.
- The Porushs also explained their approach. There is a common area and an on-site manager.
- The EDA discussed other potential sites, which the developer was open to look at.
- The next steps are the State will be issuing their Tax Credit rules in June and there may be a push to get an application to meet this deadline. Otherwise the next round will be in six months.
- The City will have to look at the zoning of the property.
- The Council will be asked for a Resolution supporting the project and attesting to the need for it.
- The developer is looking at constructing a 40 to 60 unit, three story facility, but they would also be open to constructing a smaller facility if the market indicates the need for a smaller one.
- EDA member expressed their support and enthusiasm for the project.

MOTION was made by Kaul, and seconded by Warpula, to authorize Heidi and staff to work with the developer to develop the application and to advise the City Council to support the project, including supporting the project with a Tax Increment Financing District. **Motion carried unanimously.**

Adjournment

MOTION to adjourn by Vajda, seconded by Warpula, to adjourn at 10:43 a.m. Motion carried unanimously

ATTEST:

Bob Derus, Interim City Administrator