

**CITY OF HANOVER
ECONOMIC DEVELOPMENT AUTHORITY MEETING
APRIL 14, 2016 – OFFICIAL MINUTES**

Call to Order

Chair Todd Bartels called the regular EDA meeting of April 14, 2016 to order at 8:00 a.m. Present were Todd Bartels, Randy Whitcomb, Keith Ulstad, Matt Hanson, Jessica Johnson, John Vajda and Ken Warpula. Also present were City Administrator Brian Hagen and EDA Consultant Heidi Peper. Guest present included Jeff Muehring from RJM Self Storage and Jim Schendel from Burschville Construction.

Approval of Agenda

MOTION by Whitcomb to approve the agenda, seconded by Johnson. **Motion carried unanimously.**

Approval of Minutes from March 10, 2016 Regular Meeting

MOTION by Whitcomb to approve minutes as presented, seconded by Ulstad. **Motion carried unanimously.**

Approval of Accounts Payable and Financial Reports

Johnson stated all loans are current. Expenditures reflect regular payments and the rent reimbursement payment to Smiglewski.

MOTION by Warpula to approve the Accounts Payable and Financial Reports as presented, seconded by Whitcomb. **Motion carried unanimously.**

New Business

EDA Business Incentive Review – Matching Grant Program

The board in the interest of guests present moved this discussion item to the beginning of the agenda. Mr. Muehring and Mr. Schendel were present to discuss options of assistance for upgrades to their businesses after recent burglaries.

Members discussed if any of the EDA's incentive programs could be used towards security equipment. Peper stated the low interest loan could be utilized. However, the matching grant does not recognize security improvements as an eligible expense.

Members continued discussion on changing the eligible expenses of the matching grant program to include security upgrades. This is based on the notion of hindering criminal activities and protecting assets and creating a safe business community. Consensus of the changes to the matching grant program would be as follows:

- \$15,000 maximum EDA contribution
 - \$7,500 loan, and \$7,500 grant
- 50% project costs privately funded
- 25% project costs no interest loan
- 25% project costs grant funding
- Finance entire EDA contribution, with grant portion refunded at end of loan.
- Loan balance be paid in full upon sale of property
- Security Improvements added as an eligible expense

Questions rose around the ability of a company to request funding on separate projects of similar nature in different years. The members discussed how these requests come before the EDA and Council for approval and if the boards felt that the requests are too close in nature and could be viewed as one overall project, then the funding could be denied. The members also felt that they would want a company to have an opportunity to apply for funding on projects that a different in nature that may fall on consecutive years to each other.

MOTION by Bartels to approve changes to the matching grant program as described above, seconded by Vajda. **Motion carried unanimously.**

Unfinished Business

JS Stewart

Hagen stated that Stewart intends to present a counter offer to the Council for consideration at the 3-15-16 Council meeting. Bartels stated that Stewart still holds a desire to purchase a portion of the City land for his business.

New Business

JS Stewart

Hagen explained JS Stewart is still in discussion with the City on purchasing a portion of land.

EDA Business Incentive Review – Hanover Low Interest Loan

Changes from the March meeting were brought back for final approval. Johnson asked if approval criteria should be more objective. After discussion, the board felt changing the wording to “must meet one or more of the following” would clear any misunderstanding on what would constitute approval of the request.

MOTION by Ulstad to approve the changes to the Hanover Loan Interest Loan Program as presented, seconded by Whitcomb. **Motion carried unanimously.**

1112 River Rd NE – Earl Schendel Farm

Hagen stated that the parcel is no longer for sale. The persons in control have decided to wait until a later date to consider selling.

Reports

Bartels

- asked for an update on the Greenhouse. Hagen stated the building permit is under review and the developer is finishing up on the financing.
- Encourage staff to inform the EDA of ordinance changes that directly affect commercial properties.

Adjournment

MOTION by Bartels to adjourn at 9:25 a.m., seconded by Vajda. **Motion carried unanimously.**

ATTEST:

Brian Hagen, City Administrator