

**AGENDA
HANOVER ECONOMIC DEVELOPMENT AUTHORITY
JUNE 9, 2016**

**TODD BARTELS, CHAIR
RANDY WHITCOMN, VICE CHAIR
JESSICA JOHNSON, TREASURER
KEITH ULSTAD
MATT HANSON**

**JOHN VAJDA
KEN WARPULA
HEIDI PEPER, EDA CONSULTANT**

- 1. Call to Order: 8:00 a.m.**
- 2. Approval of:**
 - a. Agenda**
 - b. Minutes of May 12, 2016 Regular Meeting**
 - c. Accounts Payable and Financial Reports**
- 3. Citizen's Forum**
- 4. Unfinished Business**
 - a. Final Review Low Interest Low Program**
 - b. Final Review Matching Grant Program**
 - c. Final Review Rent Reimbursement Program**
- 5. New Business**
- 6. EDA Board and Staff Reports**
 - a. EDA Board Reports**
 - b. Staff Reports**
- 7. Adjournment**

**CITY OF HANOVER
ECONOMIC DEVELOPMENT AUTHORITY MEETING
MAY 12, 2016 – DRAFT MINUTES**

Call to Order

Chair Todd Bartels called the regular EDA meeting of May 12, 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.

Approval of Agenda

MOTION by Warpula 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 Vajda. **Motion carried unanimously.**

Approval of Accounts Payable and Financial Reports

Johnson gave a brief overview of the monthly financials. It was noted that River Inn had paid off their loan balance.

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

Citizen's Forum

Unfinished Business

EDA Business Incentive Review – Matching Grant Program

The board discussed the approved changes from the previous meeting. Further clarification was requested regarding how the loan and grant would be provided to the applicant, loan term, and eligible recipients. The board felt the following guidelines were acceptable:

- 50% of project costs funded with max contribution of \$15,000
 - 25% loan with 0% interest rate
 - 25% grant
- Finance the full incentive amount with the last have of the amount waived to act as grant proceeds
- Applicant may request only grant portion in the form of a lump sum payment
- Home based businesses not allowed for program eligibility
- For existing buildings only

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

New Business

EDA Business Incentive Review – Commercial Rent Reimbursement

The board felt minimal changes were needed. They felt all current requirements were to stay in place, and add two new requirements. First, landlord and tenant must be unrelated. Second, proof of rent payment must be submitted prior to issuance of reimbursement.

MOTION by Whitcomb to approve changes as described above, seconded by Johnson. **Motion carried unanimously.**

EDA Business Incentive Review – Hanover Low Interest Loan

The board had further questions on the low interest loan. After discussion, members felt a set payoff period should be determined versus a range. Members felt a 10 year term for land and/or buildings, and 7 year term for all other eligible expenses was acceptable.

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

Reports

Adjournment

MOTION by Vajda to adjourn at 9:12 a.m., seconded by Ulstad. **Motion carried unanimously.**

ATTEST:

Brian Hagen, City Administrator

HANOVER
Cash Balances
 April 2016

Fund	Begin Month	GL Debits Month	GL Credits Month	Balance
100 GENERAL FUND	\$712,550.91	\$26,003.45	\$89,904.87	\$648,649.49
107 FIRE DEPT DONATIONS FUND	\$53,548.24	\$0.00	\$0.00	\$53,548.24
201 EDA SPECIAL REVENUE FUND	\$98,455.36	\$0.00	\$519.95	\$97,935.41
205 EDA BUSINESS INCENTIVE FUND	\$234,069.23	\$1,162.96	\$0.14	\$235,232.05
311 2008A GO CIP REFUNDING BOND	\$33,431.57	\$0.00	\$0.00	\$33,431.57
312 2009A GO IMP REFUNDING BOND	\$19,002.94	\$0.00	\$0.00	\$19,002.94
313 2010 GO EQUIPMENT CERTIFICATES	-\$17,850.59	\$0.00	\$0.00	-\$17,850.59
314 2011A GO IMP CROSSOVER REF BD	\$396,221.60	\$0.00	\$0.00	\$396,221.60
401 GENERAL CAPITAL PROJECTS	\$776,932.77	\$0.00	\$13,348.92	\$763,583.85
402 PARKS CAPITAL PROJECTS	\$236,571.06	\$0.00	\$2,925.30	\$233,645.76
403 FIRE DEPT CAPITAL FUND	\$162,448.89	\$0.00	\$0.00	\$162,448.89
404 HISTORICAL CAPITAL PROJ FUND	-\$19,318.99	\$0.00	\$6,200.50	-\$25,519.49
407 TIF REDEV DIST #1	\$5,651.10	\$0.00	\$0.00	\$5,651.10
411 CITY HALL CAPITAL PROJ FUND	\$47,046.92	\$0.00	\$14,008.75	\$33,038.17
417 EQUIPMENT CAPITAL FUND	\$107,774.02	\$0.00	\$0.00	\$107,774.02
418 STREET CAPITAL PROJ FUND	\$689,596.08	\$0.00	\$30,662.07	\$658,934.01
601 WATER ENTERPRISE FUND	\$777,649.51	\$12,353.86	\$15,773.76	\$774,229.61
602 SEWER ENTERPRISE FUND	\$314,953.85	\$38,020.42	\$31,526.40	\$321,447.87
603 STORM WATER ENTERPRISE FUND	\$137,748.09	\$3,115.34	\$0.00	\$140,863.43
611 WATER CAPITAL IMP FUND	\$409,118.60	\$0.00	\$0.00	\$409,118.60
612 SEWER CAPITAL IMP FUND	\$1,751,221.44	\$0.00	\$5,779.66	\$1,745,441.78
613 STORM WATER CAPITAL IMP FUND	\$553,687.02	\$0.00	\$0.00	\$553,687.02
804 SCHENDELS FIELD ESC FUND	\$147,282.22	\$0.00	\$0.00	\$147,282.22
809 BRIDGES AT HANOVER ESC FUND	-\$13,476.50	\$0.00	\$0.00	-\$13,476.50
811 EROSION CONTROL ESCROW FUND	\$33,250.00	\$8,000.00	\$750.00	\$40,500.00
815 LANDSCAPE ESCROW FUND	\$43,000.00	\$8,000.00	\$1,500.00	\$49,500.00
817 INFRASTRUCTURE ESCROW FUND	\$24,000.00	\$3,000.00	\$1,000.00	\$26,000.00
818 MISC ESCROWS FUND	\$8,709.10	\$3,617.55	\$6,005.50	\$6,321.15
820 BRIDGES TOWNHOMES ESC FUND	\$3,576.55	\$0.00	\$0.00	\$3,576.55
821 QUAIL PASS 2ND ADD ESCROW FD	\$11,857.43	\$0.00	\$0.00	\$11,857.43
900 INTEREST	\$0.00	\$12,044.24	\$0.00	\$12,044.24
	<u>\$7,738,708.42</u>	<u>\$115,317.82</u>	<u>\$219,905.82</u>	<u>\$7,634,120.42</u>

HANOVER

Revenue Budget by Source - EDA

Source Alt Code	Account Descr	April 2016 Amt	2016 YTD Amt	2016 YTD Budget	2015 YTD Variance	%YTD Budget
Fund 201 EDA SPECIAL REVENUE FUND						
TAXES	R 201-31000 Property Taxes - General	\$0.00	\$0.00	\$49,000.00	\$49,000.00	0.00%
TAXES	R 201-31010 Tax Abatement	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Source Alt Code TAXES		\$0.00	\$0.00	\$49,000.00	\$49,000.00	0.00%
MISC	R 201-36210 Interest Earnings	\$0.00	\$202.19	\$100.00	-\$102.19	202.19%
MISC	R 201-36215 Investment Income/Loss	\$0.00	\$650.53	\$1,100.00	\$449.47	59.14%
Source Alt Code MISC		\$0.00	\$852.72	\$1,200.00	\$347.28	71.06%
INTGOVT	R 201-33410 MV Credit	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Source Alt Code INTGOVT		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Fund 201 EDA SPECIAL REVENUE FUND		\$0.00	\$852.72	\$50,200.00	\$49,347.28	1.70%
Fund 205 EDA BUSINESS INCENTIVE FUND						
MISC	R 205-36200 Miscellaneous Revenues	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
MISC	R 205-36210 Interest Earnings	\$58.51	\$705.77	\$2,000.00	\$1,294.23	35.29%
MISC	R 205-36215 Investment Income/Loss	\$0.00	\$1,535.78	\$2,000.00	\$464.22	76.79%
MISC	R 205-36230 Contributions and Donations	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
MISC	R 205-39203 Transfer from Other Fund	\$0.00	\$0.00	\$15,000.00	\$15,000.00	0.00%
Source Alt Code MISC		\$58.51	\$2,241.55	\$19,000.00	\$16,758.45	11.80%
INTGOVT	R 205-33400 State Grants and Aids	\$0.00	\$0.00	\$50,000.00	\$50,000.00	0.00%
Source Alt Code INTGOVT		\$0.00	\$0.00	\$50,000.00	\$50,000.00	0.00%
Fund 205 EDA BUSINESS INCENTIVE FUND		\$58.51	\$2,241.55	\$69,000.00	\$66,758.45	3.25%
		\$58.51	\$3,094.27	\$119,200.00	\$116,105.73	2.60%

HANOVER

Expenditure Budget Report - EDA

Dept Abbrev	Account Descr	April 2016 Amt	2016 YTD Amt	2016 YTD Budget	2015 YTD Variance	%YTD Budget
Fund 201 EDA SPECIAL REVENUE FUND						
Dept 41330 Boards and Commissions						
BRDCOM	E 201-41330-111 Committee Wages/Meetin	\$0.00	\$0.00	\$3,000.00	\$3,000.00	0.00%
BRDCOM	E 201-41330-306 Dues & Subscriptions	\$319.95	\$319.95	\$1,000.00	\$680.05	32.00%
BRDCOM	E 201-41330-310 Other Professional Service	\$0.00	\$535.00	\$25,000.00	\$24,465.00	2.14%
BRDCOM	E 201-41330-437 Other Miscellaneous	\$200.00	\$1,500.00	\$5,200.00	\$3,700.00	28.85%
Dept 41330 Boards and Commissions		\$519.95	\$2,354.95	\$34,200.00	\$31,845.05	6.89%
Dept 41570 Purchasing						
PURCHAS	E 201-41570-210 Operating Supplies (GENE	\$0.00	\$0.00	\$1,000.00	\$1,000.00	0.00%
Dept 41570 Purchasing		\$0.00	\$0.00	\$1,000.00	\$1,000.00	0.00%
Dept 49360 Transfers Out						
TRNSFER	E 201-49360-700 Transfers (GENERAL)	\$0.00	\$0.00	\$15,000.00	\$15,000.00	0.00%
Dept 49360 Transfers Out		\$0.00	\$0.00	\$15,000.00	\$15,000.00	0.00%
Fund 201 EDA SPECIAL REVENUE FUND		\$519.95	\$2,354.95	\$50,200.00	\$47,845.05	4.69%

Expenditure Budget Report - EDA

Dept Abbrev	Account Descr	April 2016 Amt	2016 YTD Amt	2016 YTD Budget	2015 YTD Variance	%YTD Budget
Fund 205 EDA BUSINESS INCENTIVE FUND						
Dept 46500 Economic Develop mt (GENERAL)						
ECODEVE	E 205-46500-810 Refunds & Reimbursemen	\$0.00	\$1,485.00	\$7,200.00	\$5,715.00	20.63%
Dept 46500 Economic Develop mt (GENERAL)		\$0.00	\$1,485.00	\$7,200.00	\$5,715.00	20.63%
Dept 49300 Other Finanacing Uses						
OTHFINU	E 205-49300-318 EDA BIF: Matching Grant	\$0.00	\$0.00	\$50,000.00	\$50,000.00	0.00%
Dept 49300 Other Finanacing Uses		\$0.00	\$0.00	\$50,000.00	\$50,000.00	0.00%
Fund 205 EDA BUSINESS INCENTIVE FUND		\$0.00	\$1,485.00	\$57,200.00	\$55,715.00	2.60%

Expenditure Budget Report - EDA

Dept Abbrev	Account Descr	April 2016 Amt	2016 YTD Amt	2016 YTD Budget	2015 YTD Variance	%YTD Budget
		\$519.95	\$3,839.95	\$107,400.00	\$103,560.05	3.58%

HANOVER

Transaction Activity - EDA

Period Name	Check Refer	Check Nbr	Tran Nbr	Tran Name	Search Name	Invoice	Amount	Comments	Check/Receipt Date	Fund
Act Year 2016										
PL Type G General Ledger										
Account Descr G 201-10100 Cash										
January	187		30	Journal Entry			-\$2,287.17			201
March	188		30	Journal Entry			\$852.72	Allocate 1st Quarter Inter		201
Account Descr G 201-10100 Cash							-\$1,434.45			
Account Descr G 201-10500 Taxes Receivable-Current										
January	191		30	Journal Entry			-\$168.72	Reverse Jan Tax Settleme		201
Account Descr G 201-10500 Taxes Receivable-Current							-\$168.72			
Account Descr G 201-20200 Accounts Payable										
January	187		30	Journal Entry			\$2,287.17			201
Account Descr G 201-20200 Accounts Payable							\$2,287.17			
Account Descr G 205-10100 Cash										
March	188		30	Journal Entry			\$2,013.11	Allocate 1st Quarter Inter		205
Account Descr G 205-10100 Cash							\$2,013.11			
Account Descr G 205-12400 EDA Loan Receivable										
January	8492	081202	10	Cash Receipt	CP PROPERTIES GROUP LLC		\$174.29	EDA Loan Principal Payme	01/26/16	205
January	8475	081114	10	Cash Receipt	PLUG TECHNOLOGIES, INC		\$409.50	EDA Loan Principal Payme	01/06/16	205
January	8483	081165	10	Cash Receipt	RIVER INN		\$337.84	EDA Loan Principal Payme	01/19/16	205
February	8513	081269	10	Cash Receipt	MARIS EHLERS PHOTOGRAPY		\$766.37	EDA Loan Principal Payme	02/11/16	205
February	8503	081237	10	Cash Receipt	PLUG TECHNOLOGIES, INC		\$412.67	EDA Loan Principal Payme	02/04/16	205
February	8514	081285	10	Cash Receipt	RIVER INN		\$338.37	EDA Loan Principal Payme	02/17/16	205
March	8523	081320	10	Cash Receipt	CP PROPERTIES GROUP LLC		\$173.52	EDA Loan Principal Payme	02/26/16	205
March	8528	081342	10	Cash Receipt	PLUG TECHNOLOGIES, INC		\$414.56	EDA Loan Principal Payme	03/04/16	205
March	8545	081392	10	Cash Receipt	RIVER INN		\$339.13	EDA Loan Principal Payme	03/18/16	205
April	8567	081443	10	Cash Receipt	CP PROPERTIES GROUP LLC		\$174.50	EDA Loan Principal Payme	03/28/16	205
April	8568	081444	10	Cash Receipt	MARIS EHLERS PHOTOGRAPY		\$178.22	EDA Loan Principal Payme	03/28/16	205
April	8581	081479	10	Cash Receipt	PLUG TECHNOLOGIES, INC		\$411.70	EDA Loan Principle Payme	04/05/06	205
April	8586	008150	10	Cash Receipt	RIVER INN		\$339.89	EDA Loan Principal Payme	04/13/16	205
Account Descr G 205-12400 EDA Loan Receivable							\$4,470.56			
PL Type G General Ledger							\$7,167.67			
PL Type *R Revenue										

Period Name	Check Refer	Check Nbr	Tran Nbr	Tran Name	Search Name	Invoice	Amount	Comments	Check/Receipt Date	Fund
Account Descr R 201-31000 Property Taxes - General										
January	191		30	Journal Entry			\$143.89	Reverse Jan Tax Settleme		201
January	191		30	Journal Entry			\$24.83	Reverse Jan Tax Settleme		201
January	129161		10	Cash Receipt	HENNEPIN COUNTY TREASURER		\$143.89	HC Tax Settlement - Janu		201
January	129161		10	Cash Receipt	WRIGHT COUNTY AUDITOR-TREAS		\$24.83	WC Tax Settlement - Janu		201
							<u>\$337.44</u>			
Account Descr R 201-31000 Property Taxes - General										
Account Descr R 201-36210 Interest Earnings										
March	188		30	Journal Entry			-\$202.19	Allocate 1st Quarter Inter		201
							<u>-\$202.19</u>			
Account Descr R 201-36210 Interest Earnings										
Account Descr R 201-36215 Investment Income/Loss										
March	188		30	Journal Entry			-\$650.53	Allocate 1st Quarter Inter		201
							<u>-\$650.53</u>			
Account Descr R 205-36210 Interest Earnings										
January	8492	081202	10	Cash Receipt	CP PROPERTIES GROUP LLC		\$10.01	EDA Loan Interest Payme	01/26/16	205
January	8475	081114	10	Cash Receipt	PLUG TECHNOLOGIES, INC		\$39.73	EDA Loan Interest Payme	01/06/16	205
January	8483	081165	10	Cash Receipt	RIVER INN		\$2.04	EDA Loan Interest Payme	01/19/16	205
February	8513	081269	10	Cash Receipt	MARIS EHLERS PHOTOGRAPY		\$33.63	EDA Loan Interest Payme	02/11/16	205
February	8503	081237	10	Cash Receipt	PLUG TECHNOLOGIES, INC		\$36.56	EDA Loan Interest Payme	02/04/16	205
February	8514	081285	10	Cash Receipt	RIVER INN		\$1.59	EDA Loan Interest Payme	02/17/16	205
March	188		30	Journal Entry			-\$477.33	Allocate 1st Quarter Inter		205
March	8523	081320	10	Cash Receipt	CP PROPERTIES GROUP LLC		\$10.78	EDA Loan Interest Payme	02/26/16	205
March	8528	081342	10	Cash Receipt	PLUG TECHNOLOGIES, INC		\$34.67	EDA Loan Interest Payme	03/04/16	205
March	8545	081392	10	Cash Receipt	RIVER INN		\$0.92	EDA Loan Interest Payme	03/18/16	205
April	8567	081443	10	Cash Receipt	CP PROPERTIES GROUP LLC		\$9.80	EDA Loan Interest Payme	03/28/16	205
April	8568	081444	10	Cash Receipt	MARIS EHLERS PHOTOGRAPY		\$10.78	EDA Loan Interest Payme	03/28/16	205
April	43116		10	Cash Receipt	PLUG TECHNOLOGIES, INC		-\$0.14	Incorrect amount posted		205
April	8581	081479	10	Cash Receipt	PLUG TECHNOLOGIES, INC		\$37.67	EDA Loan Interest Payme	04/05/06	205
April	8586	008150	10	Cash Receipt	RIVER INN		\$0.40	EDA Loan Interest Payme	04/13/16	205
							<u>-\$248.89</u>			
Account Descr R 205-36210 Interest Earnings										
Account Descr R 205-36215 Investment Income/Loss										
March	188		30	Journal Entry			-\$1,535.78	Allocate 1st Quarter Inter		205
							<u>-\$1,535.78</u>			
Account Descr R 205-36215 Investment Income/Loss										
							<u>-\$2,299.95</u>			

PL Type *R Revenue

PL Type -E Expenditure

Period Name	Check Refer	Check Nbr	Tran Nbr	Tran Name	Search Name	Invoice	Amount	Comments	Check/Receipt Date	Fund
Account Descr E 201-41330-306 Dues & Subscriptions										
April	1578	031746	20	Cash Payment	INITIATIVE FOUNDATION	8933	\$300.00	Endowment Pledge (A) -	04/05/16	201
April	1585	031757	20	Cash Payment	VISA - BANKWEST		\$19.95	Lunarpages Domain Regis	04/05/16	201
Account Descr E 201-41330-306 Dues & Subscriptions							\$319.95			
Account Descr E 201-41330-310 Other Professional Services										
February	1561	001540	20	Cash Payment	S E H	310257	\$535.00	EDA Services - January 2	02/29/16	201
Account Descr E 201-41330-310 Other Professional Services							\$535.00			
Account Descr E 201-41330-437 Other Miscellaneous										
January	1631	001501	20	Cash Payment	KAUL DESIGN GROUP, LLC	16-004	\$200.00	Priority Maintenance Pack	01/19/16	201
February	1553	001531	20	Cash Payment	KAUL DESIGN GROUP, LLC	16-016	\$200.00	Priority Maintenance Pack	02/16/16	201
February	1522	001521	20	Cash Payment	RIVER INN		\$700.00	EDA Social	02/02/16	201
March	1565	001552	20	Cash Payment	KAUL DESIGN GROUP, LLC	16-038	\$200.00	Priority Maintenance Pack	03/15/16	201
April	1591	001577	20	Cash Payment	KAUL DESIGN GROUP, LLC	16-050	\$200.00	Priority Maintenance Pack	04/19/16	201
Account Descr E 201-41330-437 Other Miscellaneous							\$1,500.00			
Account Descr E 205-46500-810 Refunds & Reimbursements										
March	1584	031730	20	Cash Payment	FARMERS INSURANCE		\$1,485.00	Rent Reimbursement	03/15/16	205
Account Descr E 205-46500-810 Refunds & Reimbursements							\$1,485.00			
PL Type -E Expenditure							\$3,839.95			
Act Year 2016							\$8,707.67			
							\$8,707.67			

<u>Borrower</u>	<u>5/31/16 Principal Balance</u>	
CP Properties	\$ 5,562.39	Paid through May
Maris Ehlers Photography	\$ 3,921.93	Paid through May
River Inn	\$ -	Final Payment in April
Plug Technologies, Inc.	\$ 20,280.45	Paid through May
Total	\$ 29,764.77	



HANOVER LOW INTEREST LOAN FUND GUIDELINES

I. PURPOSE OF THE LOW INTEREST LOAN FUND

Low interest loan funds are to be used for business start-ups, expansions, and retentions. Through any of those activities, the overarching goals of this program are:

- Creation or retention of permanent private-sector jobs in order to create economic growth;
- Stimulation or leverage of private investment to ensure economic renewal and competitiveness;
- Increase the local tax base;
- Improvement of employment and economic opportunity for citizens in the region to create a reasonable standard of living;
- Stimulation of productivity growth through improved manufacturing or new technologies;
- Fill a gap in a service or product that is not currently available in the city (i.e. senior housing, etc.).

II. ELIGIBLE APPLICANTS

Eligible applicants include businesses currently or proposed to be located within the corporate limits of the City of Hanover.

III. GENERAL GUIDELINES

- Loan amount -- Minimum \$5,000; Maximum \$100,000 or 90% of Low interest Loan Fund Balance, whichever is less. In certain instances the EDA can approve exceeding the maximum loan amount.
- Location – The business/property owner must locate, expand or remodel within the corporate limits of the City of Hanover.
- Conventional Lender or Equity – Conventional lending sources and/or owner equity must provide at least 50% of the total project financing.
- Job creation/wages paid – Applicant must identify jobs to be created within two years and wages paid.
- Interest rate – Prime (as published by the Wall Street Journal) minus two, with a minimum interest rate of 2% and a maximum interest rate of 6%.
- Terms – Equipment 7 years; Land/Building 10 years.
- Other – Funds may be used to provide loan guarantees or interest buy-downs.

IV. ELIGIBLE ACTIVITIES/EXPENDITURES

Loan dollars may be used for the following activities:

- Acquisition of land;
- Construction, reconstruction and rehabilitation of commercial or industrial buildings
- Site improvements
- Utilities or infrastructure
- Machinery and equipment

Loan dollars may be used to provide assistance with loan guarantees, interest buy-downs, and other forms of participation with private sources of financing. The Low interest loan fund assistance can be for no more than one-half of the cost of the project.

All loans must be secured with appropriate collateral. This determination will be made by the EDA.

V. INELIGIBLE ACTIVITIES

Low interest loan fund assistance may not be used for the following:

- Any business that is not or would not conform with Hanover City Code or Zoning Ordinances.
- Housing Projects
- Operating Expenditures

VI. APPROVAL CRITERIA

The loan must be based on the following criteria:

- Increase in tax base
- The project can demonstrate that the investment of public dollars induces private funds
- The project provides suitable wage levels to the community or will add value to current workforce skills
- Assistance is necessary to retain existing business.

VII. APPROVAL PROCESS

Loan applications shall be on a form provided by the City/EDA. Complete applications received by the last Thursday of the month will generally be considered at the next monthly EDA meeting which occurs on the 2nd Thursday of the month at 8:00am at Hanover City Hall. Upon recommendation from the EDA for approval, the Hanover City Council will review for final approval.

VIII. LOAN APPLICATION/ORIGINATION FEE

A 2% loan application/origination fee is charged at the time of EDA approval of the loan. This is a non-refundable fee.



HANOVER MATCHING GRANT PROGRAM GUIDELINES

I. PURPOSE OF THE MATCHING GRANT PROGRAM

The purpose of the fund is to promote and encourage economic development and retention in compliance with the existing Business and River District performance standards and historical guidelines.

II. ELIGIBLE APPLICANTS

Eligible applicants include businesses located in existing structures within the corporate limits of the City of Hanover. Home based businesses are not eligible.

III. GENERAL GUIDELINES

- 50% of project costs privately funded
- 25% of project costs grant funded through EDA
 - Maximum contribution of \$7,500
- 25% of project costs zero percent interest loan through EDA – max 36 month term
 - Maximum contribution of \$7,500
- Loan balance must be paid in full upon sale of property
- Applicant may request only grant proceeds portion of EDA contribution of project costs

IV. ELIGIBLE ACTIVITIES/EXPENDITURES

- Landscaping
- Exterior Upgrades
- Ornamental Lighting
- Planters
- Benches
- Signage
- To conform to State building codes
- To conform to City codes and ordinances
- Parking enhancements
- Residential Conversions of 50% or more
- Security Improvements

V. INELIGIBLE ACTIVITIES

- Paint
- Routine Maintenance & Repairs
- Interior Renovations
- In house labor
- Residential Conversions under 50%

VI. APPROVAL PROCESS

- A current financial statement must be submitted with this application. In the event that this is a new start up and no financial statements exist, then a business plan must be submitted with this application.
- The City Administrator shall review the application for compliance and will then present it to the EDA Board for recommendation to the Hanover City Council.
- The Hanover Economic Development Authority will review each application on its own merit. The EDA will then make a recommendation on the application and forward it to the Hanover City Council for final action.
- Upon action by the Hanover City Council, the City Administrator will notify the applicant of the decision.
- The loan portion of the contribution shall be issued to the applicant upon final approval.
- The applicant shall perform the work as described in the application within 180 days. If the 180 day requirement is not met, the applicant will be required to reapply for the funds. Upon completion they shall request a final inspection and provide proof of all expenditures to the City Administrator. Once verified that all work has been done and the expenditures are in compliance with the terms of the Renovation Program, the City Administrator shall release the grant portion of the contribution.
- This program will not retroactively reimburse costs. Application must be received and approved prior to work commencing.

VII. EXAMPLES

- \$20,000 estimated project costs
 - Eligible EDA contribution of \$10,000 total
 - \$5,000 grant proceeds
 - \$5,000 loan proceeds
 - Loan balance provided at beginning of project with grant balance provided following completion of project
 - Loan repaid over max 36 month term
- \$20,000 estimated project costs
 - Eligible EDA contribution of \$10,000 total
 - Applicant desires only grant portion of \$5,000
 - Grant balance provided following completion of project



HANOVER RENT REIMBURSEMENT PROGRAM GUIDELINES

I. PURPOSE OF THE MATCHING GRANT PROGRAM

The purpose of the fund is to provide assistance to new businesses leasing space in the City of Hanover.

II. ELIGIBLE APPLICANTS

Eligible applicants include new retail, commercial and industrial businesses, committed to operating in the City's business districts.

III. GENERAL GUIDELINES

- 3 months total rent reimbursement
 - \$2,400 max contribution (up to \$800 per month for three months)
 - Must present proof of payment
- Business must present a lease agreement of at least 12 months and must remain open to the public for at least 12 months
- All businesses must be in compliance with all city codes
- Landlord and tenant cannot be related
- Sexually oriented business are not eligible for the program

IV. APPROVAL PROCESS

- Applicant must submit application and required materials to the Hanover Economic Development Authority
- The Economic Development Authority will review the application for recommending approval to the Hanover City Council.
- The Hanover City Council will review the application for final approval.