

**CITY OF HANOVER  
ECONOMIC DEVELOPMENT AUTHORITY MEETING  
SEPTEMBER 11, 2014**

**Call to Order**

Chair Todd Bartels called the regular EDA meeting of September 11, 2014 to order at 8:05 a.m. Present were Todd Bartels, Joe Kaul, Jim Hennessey, Randy Whitcomb, Councilor John Vajda, and Councilor Ken Warpula. City Administrator Annita Smythe and EDA Consultant Heidi Peper were also present. Keith Ulstad was absent. James Anderle and Mike Dumas from Lupine Brewing were present as a guests.

**Approval of the Agenda**

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

**Approval of Minutes from August 14, 2014**

**MOTION** to approve the minutes of August 14, 2014 was made by Vajda, seconded by Whitcomb. **Motion carried unanimously.**

**Approval of August 2014 Accounts Payable and Financial Reports**

Kaul noted that Miller has prepaid a large amount on its EDA loan. He also asked about two charges of \$21.00 showing as payments to Lunar Pages. He stated that he believes we have been overcharged, as the fee should be for a two-year period, and we paid it last year. Smythe will check into this. Whitcomb noted that Maris Ehlers Photography had made two payments in August on its EDA loan, but was still behind. He will re-open discussions to see if the company would like to reconsider the EDA's earlier offer of a one-time catch up by tacking on the missed payments at the end of the loan.

**MOTION** to approve the Accounts Payable and Financial Reports as present was made by Kaul, seconded by Vajda. **Motion carried unanimously.**

**Old Business**

**Lupine Brewery**

Board Members were brought up to date on the latest discussions with Lupine. Smythe presented an overview of the discussions relating to the bank-owned parcel on the river, and the issues it presented. In addition, she explained the brainstorming session by staff/consultants to try to create alternatives. Staff discussed alternatives such as the Ebert-owned parcel in front of Chops Bar, the Renier-owned parcels next to the Fire Hall, and the possibility of using a portion of the City-owned 10 acres on 5<sup>th</sup> Street. These alternatives were presented to Lupine Brewing, and a site visit to the City-owned site was conducted.

Anderle explained that they had considered all of the options, and that the City-owned site or possibly the Ebert-owned site would be their best options at present. The bank-owned site presented too many obstacles, and the timeline for that site would not work, given the infrastructure needed. The Renier site had the same issues that they had previously encountered while trying to purchase the old Fire House Auto site. The seller appeared either unwilling or unable to provide an environmental assessment of the parcels, and Lupine has too short of a timeline to wait to work out those details. So, right now, City staff are putting together the costs and infrastructure needs for the City-owned site, and Lupine is having discussions of their costs to build on the Ebert site.

Some Board members expressed concern over whether the City-owned site is the best solution. Bartels expressed that the bank-owned site might be better for Lupine due to visibility and traffic through the area, or alternatively, the Ebert site, for the same reasons. He also expressed concern that Lupine's business might not be the best use of the City-owned site, which is currently zoned industrial. However, he stated that we need to do what is necessary to make something happen for Lupine.

Anderle explained that the easement issues with the bank-owned site are no longer a problem, but that the cost of the land and the cost to build infrastructure are major roadblocks. The City is also unsure how quickly the infrastructure could be put in, and that may delay the opening of Lupine Brewing.

Board members suggested that staff continue to work with Lupine to lay out all of the options and costs for each. The Board agreed to schedule a special meeting for Tuesday, September 16 at 8:00 a.m. to discuss financial assistance options for Lupine ahead of Tuesday night's City Council meeting.

Anderle and Whitcomb both left the meeting at approximately 9:30 a.m.

The Board continued discussion of what financial assistance options might be available. There was some discussion of the fact that the assistance for the Ebert site would likely come in the form of a tax abatement request, and the City had already engaged Counsel to assist with that. If Lupine pursues the City-owned site, assistance would likely be a business subsidy in the form of a reduced-price land sale and/or the City covering the costs of infrastructure. Board members did not vote, but there was a consensus that they would be comfortable recommending an assistance package. Details and a vote will be covered at the special meeting, depending on Lupine's plans.

Vajda left the meeting at approximately 9:45 a.m.

#### **Greenhouse Assisted Living**

Smythe provided the latest update on negotiations with the Bridges Association over the easement issue. The City Council has given the Bridges Association a deadline of September 16<sup>th</sup> to consider the latest offer from the City. If that deadline is not met, the City will either continue with the eminent domain action or look at the possibility of utilizing a Minnesota cart way statute to create access.

#### **5<sup>th</sup> Street Senior Housing**

Peper updated that the list of projects getting approval from MHFA are expected later in October.

#### **New Business**

##### **Success Stories**

Members asked if staff could provide a list of contacts to Peper. Peper will then follow-up with current businesses to keep success stories up to date. There was also some discussion about the question of "Why Hanover". Members will consider ideas for web updates under this heading.

#### **Business Social Planning**

Tabled for next meeting.

#### **EDA Board and Staff Reports**

None.

#### **Adjournment**

**MOTION** to adjourn by Bartels, seconded by Warpula. **Motion carried unanimously.** Meeting adjourned at approximately 10:02 a.m.

ATTEST:

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Annita M. Smythe, City Administrator